

**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, 2015**

**2015**



# ANNUAL STATEMENT

## For the Year Ended DECEMBER 31, 2015

### OF THE CONDITION AND AFFAIRS OF THE

# MCS Life Insurance Company

NAIC Group Code 1301 , 1301 NAIC Company Code 60030 Employer's ID Number 66-0520918  
(Current Period) (Prior Period)

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

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 , San Juan, PR, 00917  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office Suite 900 255 Ponce de Leon Ave  
(Street and Number)

San Juan, PR, 00917 (787)758-2500-2920  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P O Box 193310 , San Juan, PR, 00919-3310  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records Suite 900 255 Ponce de Leon Ave  
(Street and Number)

San Juan, PR, 00917 (787)758-2500-2920  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.mcs.com.pr

Statutory Statement Contact David P Schaffer (787)758-2500-2920  
(Name) (Area Code)(Telephone Number)(Extension)

davids@medicalcardsystem.com (787)764-5866  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title
Jose Duran	President
Yumac Velez	CFO
Maritza Munich	Secretary

### OTHERS

### DIRECTORS OR TRUSTEES

Dan Agroskin	Paul S Levy
Gerald Landgraf	Robert VanHees
James P O'Drobinak	Jose G Duran
Cyril Meduna	David Schaffer

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)  
**Jose Duran**  
(Printed Name)  
 1.  
**Presidente**  
(Title)

\_\_\_\_\_  
(Signature)  
**Yumac Velez**  
(Printed Name)  
 2.  
**Chief Financial Officer**  
(Title)

\_\_\_\_\_  
(Signature)  
(Printed Name)  
 3.  
(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016

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) .....	6,225,821		6,225,821	12,243,159
2. Stocks (Schedule D)				
2.1 Preferred stocks .....	285,486		285,486	335,778
2.2 Common Stocks .....	215,052		215,052	242,774
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 (\$.....43,217,476, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) .....	43,217,476		43,217,476	27,385,534
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) .....	49,943,835		49,943,835	40,207,245
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued .....	70,328		70,328	122,023
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	16,166,616		16,166,616	13,618,917
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 .....				344,352
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 .....	4,757,958		4,757,958	5,866,368
18.1 Current federal and foreign income tax recoverable and interest thereon	153,877		153,877	153,865
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 .....				18,974
24. Health care (\$.....0) and other amounts receivable .....	564,204		564,204	552,249
25. Aggregate write-ins for other than invested assets .....	46,302	46,302	0	
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	71,703,120	46,302	71,656,818	60,883,994
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	71,703,120	46,302	71,656,818	60,883,994
<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 .....	46,302	46,302	0	75,342
2502. Prepaid expenses and other deposits .....				(75,342)
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	46,302	46,302	0	

## 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	150,000
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10, and 11) .....	36,472,205	22,703,186
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 \$.....1,423,364 accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Lines 4 and 14) .....	1,423,364	1,018,794
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 .....	2,071,372	755,686
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued (Exhibit 2, Line 12, Column 6) .....	3,224,785	2,479,081
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) .....	3,067,608	2,777,830
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses) .....		
15.2 Net deferred tax liability .....	11,204	26,807
16. Unearned investment income .....		
17. Amounts withheld or retained by company as agent or trustee .....	586,318	598,450
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) .....	119,087	167,941
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 .....	9,498,313	4,665,069
24.05 Drafts outstanding .....	203,839	47,021
24.06 Liability for amounts held under uninsured plans .....	4,336,482	5,266,292
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) .....	61,264,579	40,656,158
27. From Separate Accounts Statement .....		
28. TOTAL LIABILITIES (Lines 26 and 27) .....	61,264,579	40,656,158
29. Common capital stock .....	2,500,000	2,500,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....	5,184,736	5,633,937
32. Surplus Notes .....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1) .....	5,760,000	5,760,000
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	(3,052,498)	6,333,899
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) .....	7,892,238	17,727,836
38. TOTALS of Lines 29, 30 and 37 (Page 4, Line 55) .....	10,392,238	20,227,836
39. TOTALS of Lines 28 and 38 (Page 2, Line 28, Column 3) .....	71,656,818	60,883,994
<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) 2015 .....	5,184,736	5,633,937
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) .....	5,184,736	5,633,937
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)	306,391,696	277,533,840
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	681,966	652,595
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)	307,073,663	278,186,436
10. Death benefits	1,191,000	768,500
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	271,959,180	228,190,811
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)	273,150,180	228,959,311
21. Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	13,582,589	10,391,599
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)	21,516,988	33,442,538
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Columns 1 + 2 + 3)	3,529,647	3,254,703
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	5,184,736	3,619,091
28. TOTALS (Lines 20 to 27)	316,964,140	279,667,242
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(9,890,477)	(1,480,807)
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(9,890,477)	(1,480,807)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	55	
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)	(9,890,532)	(1,480,807)
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)	(853,271)	(196,239)
35. Net Income (Line 33 plus Line 34)	(10,743,804)	(1,677,046)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	20,227,836	22,168,508
37. Net Income (Line 35)	(10,743,804)	(1,677,046)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(78,015)	43,904
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	15,603	(13,287)
41. Change in nonadmitted assets	921,765	(234,769)
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	48,854	(59,475)
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		
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)	(9,835,597)	(1,940,672)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	10,392,238	20,227,836
<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	5,184,736	3,619,091
2702. 0		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	5,184,736	3,619,091
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 .....	304,248,567	277,932,320
2.	Net investment income .....	495,063	701,192
3.	Miscellaneous income .....		
4.	TOTAL (Lines 1 through 3) .....	304,743,631	278,633,512
5.	Benefit and loss related payments .....	258,936,809	231,479,226
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	41,284,191	49,386,374
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	66	2
10.	TOTAL (Lines 5 through 9) .....	300,221,066	280,865,602
11.	Net cash from operations (Line 4 minus Line 10) .....	4,522,564	(2,232,090)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	5,402,664	7,247,500
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	5,402,664	7,247,500
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....		
13.2	Stocks .....		1,825
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....		1,825
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) .....	5,402,664	7,245,675
<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 .....		
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) .....	5,906,714	(2,956,230)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	5,906,714	(2,956,230)
<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) .....	15,831,942	2,057,354
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	27,385,534	25,328,180
19.2	End of year (Line 18 plus Line 19.1) .....	43,217,476	27,385,534

**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	306,391,696						2,423,387		265,129,754		38,838,556	
2. Considerations for supplementary contracts with life contingencies												
3. Net investment income	681,966						4,643		549,000		128,323	
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)	307,073,663						2,428,030		265,678,754		38,966,879	
10. Death benefits	1,191,000						1,191,000					
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits												
13. Disability benefits and benefits under accident and health contracts	271,959,180								225,884,162		46,075,018	
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)	273,150,180						1,191,000		225,884,162		46,075,018	
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	13,582,589						23,419		11,603,170		1,955,999	
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	21,516,988						264,066		18,534,905		2,718,017	
24. Insurance taxes, licenses and fees, excluding federal income taxes	3,529,647						29,680		3,052,359		447,608	
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	5,184,736								4,639,093		545,643	
28. TOTALS (Lines 20 to 27)	316,964,140						1,508,165		263,713,690		51,742,285	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 - Line 28)	(9,890,477)						919,865		1,965,064		(12,775,406)	
30. Dividends to policyholders												
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 - Line 30)	(9,890,477)						919,865		1,965,064		(12,775,406)	
32. Federal income taxes incurred (excluding tax on capital gains)	55								55			
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)	(9,890,532)						919,865		1,965,009		(12,775,406)	
<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	5,184,736								4,639,093		545,643	
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)	5,184,736								4,639,093		545,643	

(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 .....								
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) 355,144	543,880
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 160,357	158,301
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) 12,152	12,152
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	552,430	739,110
11. Investment expenses		(g) 57,144
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)		57,144
17. Net Investment income (Line 10 minus Line 16)		681,966

**DETAILS OF WRITE-INS**

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

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

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(9,737)		(9,737)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)		(843,535)	(843,535)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)				(50,293)	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				(27,722)	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	(9,737)	(843,535)	(853,272)	(78,015)	

**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	16,166,616						15,724,773		441,843	
12.	Deferred and accrued										
13.	Deferred, accrued and uncollected:										
13.1	Direct	16,166,616						15,724,773		441,843	
13.2	Reinsurance assumed										
13.3	Reinsurance ceded										
13.4	Net (Line 11 + Line 12)	16,166,616						15,724,773		441,843	
14.	Advance	1,423,364						291,278		1,132,087	
15.	Line 13.4 - Line 14	14,743,252						15,433,495		(690,243)	
16.	Collected during year:										
16.1	Direct	305,575,637				2,587,519		263,727,149		39,260,969	
16.2	Reinsurance assumed										
16.3	Reinsurance ceded	1,327,070				164,132		978,530		184,408	
16.4	Net	304,248,567				2,423,387		262,748,620		39,076,561	
17.	Line 15 + Line 16.4	318,991,819				2,423,387		278,182,115		38,386,318	
18.	Prior year (uncollected + deferred and accrued - advance)	12,600,123						13,052,361		(452,238)	
19.	Renewal premiums and considerations:										
19.1	Direct	307,718,766				2,587,519		266,108,284		39,022,963	
19.2	Reinsurance assumed										
19.3	Reinsurance ceded	1,327,070				164,132		978,530		184,408	
19.4	Net (Line 17 - Line 18)	306,391,696				2,423,387		265,129,754		38,838,556	
<b>TOTAL</b>											
20.	TOTAL Premiums and annuity considerations:										
20.1	Direct	307,718,766				2,587,519		266,108,284		39,022,963	
20.2	Reinsurance assumed										
20.3	Reinsurance ceded	1,327,070				164,132		978,530		184,408	
20.4	Net (Lines 9.4 + 10.4 + 19.4)	306,391,696				2,423,387		265,129,754		38,838,556	

**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.	13,582,589					23,419		11,603,170		1,955,999	
30.											
31.	13,582,589					23,419		11,603,170		1,955,999	

## 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	1,249		147,308			148,557
2. Salaries and wages	26,059		3,073,025			3,099,084
3.11 Contributions for benefit plans for employees	2,127		250,768			252,895
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	2,335		275,403			277,739
3.32 Other agent welfare						
4.1 Legal fees and expenses	463		54,623			55,086
4.2 Medical examination fees						
4.3 Inspection report fees						
4.4 Fees of public accountants and consulting actuaries	4,100		483,472			487,572
4.5 Expense of investigation and settlement of policy claims	47,383		5,587,556			5,634,939
5.1 Traveling expenses	191		22,539			22,730
5.2 Advertising	2,136		251,929			254,065
5.3 Postage, express, telegraph and telephone	576		67,884			68,460
5.4 Printing and stationery	1,028		121,213			122,241
5.5 Cost or depreciation of furniture and equipment						
5.6 Rental of equipment						
5.7 Cost or depreciation of EDP equipment and software						
6.1 Books and periodicals	256		30,221			30,478
6.2 Bureau and association fees	19		2,213			2,232
6.3 Insurance, except on real estate	595		70,147			70,742
6.4 Miscellaneous losses						
6.5 Collection and bank service charges	4,100		483,531			487,631
6.6 Sundry general expenses	3,642		429,507			433,149
6.7 Group service and administration fees	120,937		14,261,358			14,382,294
6.8 Reimbursements by uninsured plans			(4,702,135)			(4,702,135)
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				57,144		57,144
9.3 Aggregate write-ins for expenses	3,273		385,956			389,229
10. General expenses Incurred	220,469		21,296,519		57,144	(a) 21,574,131
11. General expenses unpaid December 31, prior year			2,479,081			2,479,081
12. General expenses unpaid December 31, current year			3,224,785			3,224,785
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)	220,469		20,550,815		57,144	20,828,428

### DETAILS OF WRITE-INS

09.301. Bad debt expense	3,273		385,956			389,229
09.302. Other expenses						
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)	3,273		385,956			389,229

(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	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes					
2. State insurance department licenses and fees	1,493	176,007			177,499
3. State taxes on premiums	25,774	3,039,343			3,065,116
4. Other state taxes, incl. \$.....0 for employee benefits	481	56,765			57,247
5. U.S. Social Security taxes	1,932	227,852			229,784
6. All other taxes					
7. Taxes, licenses and fees incurred	29,680	3,499,967			3,529,647
8. Taxes, licenses and fees unpaid December 31, prior year	27,716	2,750,114			2,777,830
9. Taxes, licenses and fees unpaid December 31, current year		3,067,608			3,067,608
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	57,396	3,182,473			3,239,868

## 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 .....	11,481,232								11,481,232		
2.22 Reinsurance assumed .....											
2.23 Reinsurance ceded .....											
2.24 Net .....	11,481,232		(b)	(b)		(b)	(b)		11,481,232	(b)	(b)
3. Incurred but unreported:											
3.1 Direct .....	25,240,972						250,000		18,081,071		6,909,901
3.2 Reinsurance assumed .....											
3.3 Reinsurance ceded .....											
3.4 Net .....	25,240,972		(b)	(b)		(b)	250,000		18,081,071	(b)	6,909,901
4. TOTALS:											
4.1 Direct .....	36,722,205						250,000		29,562,304		6,909,901
4.2 Reinsurance assumed .....											
4.3 Reinsurance ceded .....											
4.4 Net .....	36,722,205	(a)	(a)				250,000		29,562,304		6,909,901

(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 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	259,281,161						1,091,000		216,928,951		41,261,211
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net	(d) 259,281,161						1,091,000		216,928,951		41,261,211
2. Liability December 31, current year from Part 1:											
2.1 Direct	36,722,205						250,000		29,562,304		6,909,901
2.2 Reinsurance assumed											
2.3 Reinsurance ceded											
2.4 Net	36,722,205						250,000		29,562,304		6,909,901
3. Amounts recoverable from reinsurers December 31, current year											
4. Liability December 31, prior year:											
4.1 Direct	22,853,186						150,000		20,607,092		2,096,094
4.2 Reinsurance assumed											
4.3 Reinsurance ceded											
4.4 Net	22,853,186						150,000		20,607,092		2,096,094
5. Amounts recoverable from reinsurers December 31, prior year											
6. Incurred benefits:											
6.1 Direct	273,150,180						1,191,000		225,884,162		46,075,018
6.2 Reinsurance assumed											
6.3 Reinsurance ceded											
6.4 Net	273,150,180						1,191,000		225,884,162		46,075,018

(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 .....			
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 .....		892,725	892,725
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....	46,302	75,342	29,040
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	46,302	968,067	921,765
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	46,302	968,067	921,765
<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 .....	46,302	75,342	29,040
2502. Other Receivables .....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	46,302	75,342	29,040

## Notes to Financial Statements

MCS Life Insurance Company (the "Company") is a wholly owned subsidiary of Medical Card System, Inc. ("MCS") 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. It is primarily engaged in 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

#### 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>NET INCOME</u>	<u>State of Domicile</u>	<u>2015</u>	<u>2014</u>
(1) MCS Life Ins. Company state basis State Prescribed Practices that	PR	<u>\$ (10,743,804)</u>	<u>\$ (1,677,046)</u>
(2) increase / (decrease) State Permitted Practices that	PR	-	-
(3) increase / (decrease)	PR	-	-
(4) NAIC SAP	PR	<u>\$ (10,743,804)</u>	<u>\$ (1,677,046)</u>
 <b><u>SURPLUS</u></b>			
(5) MCS Life Ins. Company state basis State Prescribed Practices that	PR	<u>\$ 10,392,238</u>	<u>\$ 20,227,836</u>
(6) increase / (decrease) State Permitted Practices that	PR	-	-
(7) increase / (decrease)	PR	-	-
(8) NAIC SAP	PR	<u>\$ 10,392,238</u>	<u>\$ 20,227,836</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. Actual results could differ from those estimates.

#### C. Accounting Policies

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

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

Certain Assets designated as non-admitted assets have been excluded from the statutory statements of admitted assets, liabilities and capital and surplus by a charge to surplus. Non Admitted assets as of December 31, 2015 consist of \$46,302 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).

## Notes to Financial Statements

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-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.

### 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 2015.

### 5. Investments

## Notes to Financial Statements

- 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. Amortized cost exceeds the estimated fair value of certain investments at December 31, 2015. Write-downs for impairment of securities, which are deemed to be other than temporary, amounted to \$843,535 during the year ended December 31, 2015 and were recorded as a realized capital gain (loss).

	Amortized Cost Basis Before Other-than-Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss		Fair Value
		Interest	Non-interest	
<u>OTTI recognized 1st Quarter</u>				
a. Intent to Sell	\$ -	\$ -	\$ -	\$ -
Inability or lack of intent to retain the investment in the security for a period of time				
b. sufficient to recover the amortized cost basis	-	-	-	\$ -
c. Total 1st Quarter	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OTTI recognized 2nd Quarter</u>				
d. Intent to Sell	-	-	-	\$ -
Inability or lack of intent to retain the investment in the security for a period of time				
e. sufficient to recover the amortized cost basis	800,089	-	122,809	\$ 677,280
f. Total 2nd Quarter	<u>\$ 800,089</u>	<u>\$ -</u>	<u>\$ 122,809</u>	<u>\$ 677,280</u>
<u>OTTI recognized 3rd Quarter</u>				
g. Intent to Sell	-	-	-	\$ -
Inability or lack of intent to retain the investment in the security for a period of time				
h. sufficient to recover the amortized cost basis	1,016,698	-	364,897	\$ 651,801
i. Total 3rd Quarter	<u>\$ 1,016,698</u>	<u>\$ -</u>	<u>\$ 364,897</u>	<u>\$ 651,801</u>
<u>OTTI recognized 4th Quarter</u>				
j. Intent to Sell	-	-	-	\$ -
Inability or lack of intent to retain the investment in the security for a period of time				
k. sufficient to recover the amortized cost basis	765,199	-	355,827	\$ 409,371
l. Total 4th Quarter	<u>\$ 765,199</u>	<u>\$ -</u>	<u>\$ 355,827</u>	<u>\$ 409,371</u>
m Annual Aggregate Total		<u>\$ -</u>	<u>\$ 843,535</u>	

3. Each security, by CUSIP, with an Other-than-temporary impairment at December 31, 2015 were as follows:

CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
745177-FM-2	800,089	677,280	122,809	677,280	677,280	6/30/2015
29216M-AF-7	61,237	31,346	29,891	31,346	31,346	9/30/2015
745177-FM-2	740,249	473,500	266,749	473,500	473,500	9/30/2015
74526P-AA-2	215,212	146,955	68,257	146,955	146,955	9/30/2015
745177-FM-2	542,763	275,000	267,763	275,000	275,000	12/31/2015
74526P-AA-2	222,436	134,371	88,064	134,371	134,371	12/31/2015
Total	2,581,987	1,738,452	\$ 843,535	1,738,452	1,738,452	

## Notes to Financial Statements

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

a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$	2,596
2. 12 Months or longer	\$	921

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

1. Less than 12 months	\$	335,928
2. 12 Months or longer	\$	162,687

The unrealized losses on investments in fixed income securities were caused mainly by changes in interest rates during 2015. 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 and Obligations of the Commonwealth of Puerto Rico and its instrumentalities, 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, 2015 and 2014 were as follows:

	2015			
Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	\$ 5,004,382	\$ 130,931	\$ (1,239)	\$ 5,134,074
Obligations of the Commonwealth of PR and its instrumentalities	447,098	343	(1,759)	445,682
Corporate debt securities	457,570	91,207	-	548,777
Mortgage-backed securities	316,771	21,755	-	338,525
Investment in bonds and notes	\$ 6,225,821	\$ 244,235	\$ (2,998)	\$ 6,467,058
Common and preferred stocks	444,517	56,539	(519)	500,537
<b>Total</b>	<b>\$ 6,670,338</b>	<b>\$ 300,774</b>	<b>\$ (3,517)</b>	<b>\$ 6,967,595</b>
	2014			
Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	\$ 10,194,094	\$ 324,333	\$ (13,601)	\$ 10,504,826
Obligations of the Commonwealth of PR and its instrumentalities	1,041,531	-	(8,988)	1,032,542
Corporate debt securities	436,445	165,226	-	601,671
FHLB bonds and mortgage-backed securities	571,090	32,978	(2,534)	601,534
Investment in bonds and notes	\$ 12,243,160	\$ 522,537	\$ (25,123)	\$ 12,740,574
Common and preferred stocks	444,517	134,070	(35)	578,552
<b>Total</b>	<b>\$ 12,687,677</b>	<b>\$ 656,607</b>	<b>\$ (25,158)</b>	<b>\$ 13,319,126</b>

The amortized cost and estimated fair value of investment securities at December 31, 2015, 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	\$ 1,662,546	\$ 1,688,841
Due after one year through five years	3,891,208	3,994,947
Due after five years through ten years	58,845	58,846
Due after ten years through Twenty years	120,661	153,732
Over twenty years	202,538	260,674
Mortgage-backed securities	290,024	310,018
Equity securities	444,517	500,537
	<u>\$ 6,670,338</u>	<u>\$ 6,967,595</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, 2015.

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

Restricted Asset Category	Gross Restricted								Percentage	
	Current Year					6 Total From Prior Year	7 Increase / (Decrease)	8 Total Current Year Admitted Restricted	9 Gross Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1 Total General Account (G/A)	2 G/A Supporting S/A Activity	3 Total Separate Account (S/A) Restricted Assets	4 S/A Assets Supporting G/A Activity	5 Total					
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	1,312,729				1,312,729	1,304,356	8,373	1,312,729	1.831%	1.832%
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	\$1,312,729	\$ -	\$ -	\$ -	\$ 1,312,729	\$ 1,304,356	\$ 8,373	\$1,312,729	1.83%	1.83%

At December 31, 2015 the company has a deposit with states of \$1,312,729 from 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

## Notes to Financial Statements

### 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, 2015.

### 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, 2015.

	12/31/2015			12/31/2014			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	\$ 3,773,243	\$ 311,949	\$ 4,085,192	\$ 3,879,464	\$ 143,242	\$ 4,022,706	\$ (106,221)	\$ 168,707	\$ 62,486
(b) Adjustment Adjusted Gross Deferred Tax	\$ 3,773,243	\$ 311,949	4,085,192	\$ 3,879,464	\$ 143,242	4,022,706	(106,221)	168,707	62,486
(c) Assets	-	-	-	-	-	-	-	-	-
(d) Deferred Tax Assets Nonadmitted Subtotal net Admitted Deferred Tax	-	-	-	-	-	-	-	-	-
(e) Asset	-	-	-	-	-	-	-	-	-
(f) Deferred Tax Liabilities Net Admitted Deferred Tax Asset /	-	11,204	11,204	-	26,807	26,807	-	(15,603)	(15,603)
(g) (Net Deferred Tax Liability)	\$ -	\$ (11,204)	\$ (11,204)	\$ -	\$ (26,807)	\$ (26,807)	\$ -	\$ 15,603	\$ 15,603

- B. The company has \$11,204 in deferred tax liabilities as of December 31, 2015.
- 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.
- 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. MCS Inc, the parent company, 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 year ended December 31, 2015 amounts to \$14.4 million. The Company provides group life and health insurance to the employees of MCS Inc. Amount paid by MCS Inc. to the Company amounted to \$6.6 million.
- D. At December 31, 2015, the company reported \$9.5 million due to MCS Advantage, Inc.
- E. There are no guarantees or undertaking for the benefit of a subsidiary or affiliated party.
- G. All outstanding shares of the company are owned by the company.
- H. The company owns no shares of the stock of its parent or any of its affiliates.

## Notes to Financial Statements

- 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 50% of employee contributions up to 6% of total employee compensation. The Company's contribution for the plan during as of December 31, 2015 was \$56,820.
- 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. As a condition to the approval of the Company's RBC Plan, the Company must obtain authorization from the Commissioner of Insurance prior to the payment of any dividends.

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

Accumulated earnings	\$	2,308,831
Non-admitted assets		(46,302)
Asset valuation reserve		(119,087)
Deferred income taxes		(11,204)
Special Surplus - Health Insurance Providers Fees		(5,184,736)
Unassigned surplus	\$	(3,052,498)

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

The Law will require, among other things, that all insurance companies, including all health insurance organizations, authorized to conduct business in Puerto Rico comply with the RBC requirements as adopted by

## Notes to Financial Statements

the NAIC, to file each year an RBC report with the NAIC and the Commissioner of Insurance on or before March 31 and maintain a RBC requirement of 300%. The Law states that the Commissioner of Insurance will provide a ruling whereby a compliance transition period of five years will be established. On January 5, 2010, a ruling (Rule 92 or the Rule) was approved by the Commissioner of Insurance to establish the requirements to implement the Law. Rule 92 establishes a phased transition period of five years to comply with the minimum 250% RBC requirements depending on the RBC of the Company at the Rule's effective date. At December 31, 2015 the company RBC was 94%

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 – None
10. The portion of unassigned funds surplus represented or (reduced) by each item below is as follows:
  - Unrealized gain and losses - \$44,816
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

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

## Notes to Financial Statements

### 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, 2015:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a			
Gross reimbursement for medical cost incurred	\$ 61,319,848	\$ -	\$ 61,319,848
b			
Gross administrative fees accrued		-	-
c			
Other income or expenses (including interest paid to or received from plans)	-	-	-
d			
Gross expenses incurred (claims and administrative)	56,617,714	-	56,617,714
e			
Total net gain or loss from operations	<u>\$ 4,702,135</u>	<u>\$ -</u>	<u>\$ 4,702,135</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

- 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

## Notes to Financial Statements

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, 2015.

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

**2015**

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	\$ -	\$ 5,134,074	\$ -	\$ 5,134,074
Obligation of the Commonwealth of PR and its Instrumentalities	-	\$ 445,682		445,682
Corp Debt Securities	-	\$ 548,777		548,777
Mortgage-backed Securities	-	\$ 338,525		338,525
Common and Preferred Stocks	-	500,537		500,537
Money Market Funds	5,376,825			5,376,825
Total Bonds	<u>\$ 5,376,825</u>	<u>\$ 6,967,595</u>	<u>\$ -</u>	<u>\$ 12,344,420</u>
Separate account assets	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	<u>\$ 5,376,825</u>	<u>\$ 6,967,595</u>	<u>\$ -</u>	<u>\$ 12,344,420</u>

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

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.

Type of financial Instruments	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 6,467,057	\$ 6,225,821		\$ 6,967,594		
Common Stock	\$ 215,052	\$ 215,052		\$ 215,052		
Preferred Stock	\$ 285,486	\$ 285,486		\$ 285,486		
Cash, cash equivalent and short-term investments	\$ 43,217,476	\$ 43,217,476	\$ 5,376,825			

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

## Notes to Financial Statements

### 21. Other Items

- A. Unusual or Infrequent Items – Not applicable.
- B. Troubled Debt Restructuring – Not applicable.
- C. A Certificate of deposit of \$1,312,729 are deposited with 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 – Nonrecognized Subsequent Events:

ACA imposes an assessment on entities that issue health insurance for each calendar year beginning on or after January 1, 2014. Pursuant to Section 9010 of the ACA, a reporting entity's portion of the assessment is paid no later than September 30 of the applicable calendar year (the fee year) beginning in 2014. The amount of the assessment for the reporting entity is based on the ratio of the amount of an entity's subject net health premiums written for any U.S. health risk during the preceding calendar year (data year) to the aggregate amount of subject net health premiums written by all subject U.S. health insurance providers during the preceding calendar year. For the year 2015, the Company was assessed for such fee \$5.2 million. For the year 2016, the Company has estimated that such fee approximately amounts to \$5.2 million.

### 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

## Notes to Financial Statements

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.

### 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, 2015, the Company had no uncollectible reinsurance balances written off through income and expenses.
- C. The company has not commuted any ceded reinsurance during the year.
- 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).

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

None

### 26. Intercompany Pooling Arrangements

None

### 27. Structured Settlements

## Notes to Financial Statements

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
12/31/2015	279,932	317,522			
9/30/2015	283,971	298,918	297,813		
6/30/2015	310,482	312,282	310,482		
3/31/2015	553,621	326,068	328,583	225,039	
12/31/2014	344,247	315,524	314,040		
9/30/2014	92,347	295,738	253,000		
6/30/2014	375,000	290,666		290,509	
3/31/2014	325,000	295,058		293,836	
12/31/2013	275,000	273,017		280,584	
9/30/2013	275,000	270,628	280,151		
6/30/2013	275,000	270,612	289,496		
3/31/2013	275,000	284,289	286,854		

The Company estimates the rebate receivable based on historical trends data and rebate's confirmation received from the Prescription Benefit Manager. The estimated balance of pharmacy rebate receivable as of December 31, 2015 is \$563,903.

#### 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

None

### 35. Loss/Claim Adjustment Expenses

The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2015 was \$36,472,205.

The company incurred \$271,959,180 and paid \$258,190,161 of claim adjustment expenses in the current year, of which \$21,445,275 of the paid amount was attributable to insured or covered events of prior years.

## Notes to Financial Statements

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 year ended December 31, 2015 were lower due to a favorable development of claims that is attributed to lower-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]  
Puerto Rico
- 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[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[ ] No[X]
- 4.12 renewals? Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[ ] No[X]
- 4.22 renewals? Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 5.2 If yes, provide the name of 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. Yes[ ] No[X]

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG- San Juan Office
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption: .....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 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)

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

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

### BOARD OF DIRECTORS

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

### FINANCIAL

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

### INVESTMENT

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

## 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 \$ ..... 1,312,729
  - 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 .....	New York .....
Pershing LLC .....	New York .....

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

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES (Continued)

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

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

	1  Statement (Admitted) Value	2  Fair Value	3  Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	6,225,582	6,467,058	241,476
30.2 Preferred stocks .....	285,486	285,486	
30.3 Totals .....	6,511,068	6,752,544	241,476

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:

### OTHER

- 33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 20,000
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
ACODESE .....	20,000

- 34.1 Amount of payments for legal expenses, if any? \$ ..... 55,086
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

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

1 Name	2 Amount Paid

# GENERAL INTERROGATORIES (Continued)

## PART 2 - 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 .....	303,968,309	275,065,409
2.2 Premium Denominator .....	306,391,696	277,533,840
2.3 Premium Ratio (2.1 / 2.2) .....	0.992	0.991
2.4 Reserve Numerator .....	36,472,205	22,703,186
2.5 Reserve Denominator .....	36,722,205	22,853,186
2.6 Reserve Ratio (2.4 / 2.5) .....	0.993	0.993

- 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 company 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

9.1 Does the company have variable annuities with guaranteed benefits? Yes [ ] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3 Waiting Period Remaining	4 Account Value Related to Column 3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserve Credit
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit							
.....	.....	.....	.....	.....	.....	.....	.....	.....

10. 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:

10.1 Amount of loss reserves established by these annuities during the current year: \$ ..... 0

10.2 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)
.....	.....

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

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

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

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

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

12.2 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
.....	.....	.....	.....	.....	.....	.....

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

13.1 Direct Premium Written \$ ..... 0

13.2 Total incurred claims \$ ..... 0

13.2 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.****Show Amounts of Life Insurance in this Exhibit in Thousands (Omit \$000)**

	1 2015	2 2014	3 2013	4 2012	5 2011
<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) .....	986,956	1,068,133	1,072,616	896,239	869,123
5. Industrial (Line 21, Column 2) .....					
6. FEGLI/SGLI (Lines 43 & 44, Column 4) .....					
7. TOTAL (Line 21, Column 10) .....	986,956	1,068,133	1,072,616	896,239	869,123
<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) .....	253,503	184,772	212,275	151,117	337,519
12. Industrial (Line 2, Column 2) .....					
13. TOTAL (Line 2, Column 10) .....	253,503	184,772	212,275	151,117	337,519
<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) .....	2,423,387	2,468,431	2,481,564	2,432,399	2,615,892
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) .....	265,129,754	249,211,965	225,887,617	189,792,584	215,725,603
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) .....	38,838,556	25,853,444	24,013,200	23,255,529	24,324,068
19. Aggregate of all other lines of business (Exhibit 1 - Part 1, Line 20.4, Column 11) .....					
20. TOTAL .....	306,391,696	277,533,840	252,382,382	215,480,511	242,665,564
<b>Balance Sheet Items (Pages 2 and 3)</b>					
21. TOTAL Admitted Assets excluding Separate Accounts business (Page 2, Line 26, Column 3) .....	71,656,818	60,883,994	67,332,962	55,359,096	50,707,452
22. TOTAL Liabilities excluding Separate Accounts business (Page 3, Line 26) .....	61,264,579	40,656,158	45,164,454	38,022,581	36,365,660
23. Aggregate life reserves (Page 3, Line 1) .....					
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) .....	119,087	167,941	108,467	135,583	116,290
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) .....	7,892,238	17,727,836	19,668,508	14,836,515	11,841,792
<b>Cash Flow (Page 5)</b>					
29. Net Cash from Operations (Line 11) .....	4,522,564	(2,232,090)	(929,906)	7,546,159	9,681,439
<b>Risk-Based Capital Analysis</b>					
30. TOTAL Adjusted Capital .....	10,511,325	20,395,777	22,276,975	17,472,098	14,458,082
31. Authorized control level risk-based capital .....	11,239,092	9,637,320	9,183,386	7,813,952	8,627,186
<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) .....	12.5	30.5	43.2	51.1	68.9
33. Stocks (Lines 2.1 and 2.2) .....	1.0	1.4	1.2	1.3	1.6
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) .....	86.5	68.1	55.6	47.6	29.5
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 2015	2 2014	3 2013	4 2012	5 2011
<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) .....	46,302	968,067	733,298	1,384,964	489,544
53. TOTAL Admitted Assets (Page 2, Line 28, Column 3) .....	71,656,818	60,883,994	67,332,962	55,359,096	50,707,452
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income) .....	681,966	652,595	748,858	814,754	786,793
55. Realized capital gains (losses) (Page 4, Line 34, Column 1) .....	(853,271)	(196,239)	(363,707)	(1,313)	2
56. Unrealized capital gains (losses) (Page 4, Line 38, Col. 1) .....	(78,015)	43,904	(36,734)	90,691	(75,577)
57. TOTAL of Above Lines 54, 55, and 56 .....	(249,320)	500,260	348,416	904,132	711,218
<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) .....	1,191,000	768,500	752,746	654,837	781,867
59. TOTAL Contract Benefits - A & H (Lines 13 & 14, Columns 9, 10 & 11) .....	271,959,180	228,190,811	211,795,866	174,267,977	196,737,614
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 .....	11.5	15.8	14.8	18.1	18.1
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) .....	89.5	83.1	84.7	81.9	82.0
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) .....	12.6	17.0	15.5	18.4	18.2
<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) .....	19,060,182	20,048,579	17,616,124	17,767,389	13,435,350
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2) .....	20,607,091	22,124,898	16,922,547	18,653,984	15,311,794
70. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Col. 2) .....	2,663,106	2,425,409	2,034,317	2,245,871	2,348,009
71. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Col. 2) .....	2,096,094	2,753,849	2,151,740	2,335,630	2,489,592
<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) .....	919,865	1,316,809	1,346,980	1,443,550	1,148,961
78. Group annuities (Column 8) .....					
79. A & H - group (Column 9) .....	1,965,009	(2,442,286)	(1,265,540)	(1,301,770)	(42,804)
80. A & H - credit (Column 10) .....					
81. A & H - other (Column 11) .....	(12,775,406)	(355,329)	1,466,701	1,691,883	211,766
82. Aggregate of all other lines of business (Column 12) .....					
83. TOTAL (Column 1) .....	(9,890,532)	(1,480,807)	1,548,141	1,833,663	1,317,923

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 2015

NAIC Group Code: 1301

LIFE INSURANCE

NAIC Company Code: 60030

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS		1 Ordinary	2 Credit Life (Group and Individual)	3 Group	4 Industrial	5 Total
1.	Life Insurance			2,587,519		2,587,519
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)			2,587,519		2,587,519
<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			1,091,000		1,091,000
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			1,091,000		1,091,000

<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 Certificates	6 Amount	7 Number	8 Amount	9 Number	10 Amount
16.	Unpaid December 31, prior year					150,000				150,000
17.	Incurred during current year					1,191,000				1,191,000
	Settled during current year:									
18.1	By payment in full					1,091,000				1,091,000
18.2	By payment on compromised claims									
18.3	TOTALS Paid					1,091,000				1,091,000
18.4	Reduction by compromise									
18.5	Amount rejected									
18.6	TOTAL Settlements					1,091,000				1,091,000
19.	Unpaid Dec. 31, current year (Lines 16 + 17 - 18.6)					250,000				250,000
<b>POLICY EXHIBIT</b>					No. of Policies					
20.	In force December 31, prior year			(a)	61,637	1,068,133			61,637	1,068,133
21.	Issued during year				14,628	253,503			14,628	253,503
22.	Other changes to in force (Net)				(19,312)	(334,680)			(19,312)	(334,680)
23.	In force December 31 of current year			(a)	56,953	986,956			56,953	986,956

(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 Direct Premiums	2 Direct Premiums Earned	3 Dividends Paid Or Credited On Direct Business	4 Direct Losses Paid	5 Direct Losses Incurred
24.	Group Policies (b)	266,108,284	265,129,754		216,928,951	225,884,163
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)	39,022,963	38,838,556		41,261,211	46,075,018
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)	39,022,963	38,838,556		41,261,211	46,075,018
26.	TOTALS (Lines 24 + 24.1 + 24.2 + 24.3 + 24.4 + 25.6)	305,131,247	303,968,309		258,190,161	271,959,180

(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.



DIRECT BUSINESS IN THE STATE OF GRAND TOTAL

DURING THE YEAR 2015

NAIC Group Code: 1301

LIFE INSURANCE

NAIC Company Code: 60030

	1		2		3		4		5	
	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
1. Life Insurance					2,587,519				2,587,519	
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)					2,587,519				2,587,519	
<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					1,091,000				1,091,000	
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					1,091,000				1,091,000	

<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)										

	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	Number	Amount	No. of Ind.Pols & Group Certifs.	Amount	No. of Certificates	Amount	Number	Amount	Number	Amount
16. Unpaid December 31, prior year						150,000				150,000
17. Incurred during current year						1,191,000				1,191,000
Settled during current year:										
18.1 By payment in full						1,091,000				1,091,000
18.2 By payment on compromised claims										
18.3 TOTALS Paid						1,091,000				1,091,000
18.4 Reduction by compromise										
18.5 Amount rejected										
18.6 TOTAL Settlements						1,091,000				1,091,000
19. Unpaid Dec. 31, current year (Lines 16 + 17 - 18.6)						250,000				250,000
<b>POLICY EXHIBIT</b>					No. of Policies					
20. In force December 31, prior year			(a)		61,637	1,068,133			61,637	1,068,133
21. Issued during year					14,628	253,503			14,628	253,503
22. Other changes to in force (Net)					(19,312)	(334,680)			(19,312)	(334,680)
23. In force December 31 of current year			(a)		56,953	986,956			56,953	986,956

(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)	266,108,284	265,129,754		216,928,951	225,884,163
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)	39,022,963	38,838,556		41,261,211	46,075,018
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)	39,022,963	38,838,556		41,261,211	46,075,018
26. TOTALS (Lines 24 + 24.1 + 24.2 + 24.3 + 24.4 + 25.6)	305,131,247	303,968,309		258,190,161	271,959,180

(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

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10
	1	2	3	4	5	6	Number of		9	Total Amount of Insurance (a)
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7 Policies	8 Certificates	Amount of Insurance (a)	
1. In force end of prior year								61,637	1,068,133	1,068,133
2. Issued during year								14,628	253,503	253,503
3. Reinsurance assumed										
4. Revived during year										
5. Increased during year (net)										
6. Subtotals, Lines 2 to 5								14,628	253,503	253,503
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)								76,265	1,321,636	1,321,636
<b>Deductions during year:</b>										
10. Death							X X X	67	1,164	1,164
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)								19,245	333,516	333,516
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. TOTALS (Lines 10 to 19)								19,312	334,680	334,680
21. In force end of year (Line 9 minus Line 20)								56,953	986,956	986,956
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	(b)	X X X	X X X	986,956	986,956
<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) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).  
 (b) Group \$.....0; Individual \$.....0.

**EXHIBIT OF LIFE INSURANCE (Continued)**  
**ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR**

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
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**

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
Term Insurance Excluding Extended Term 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 (a) 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 .....	253,503		988,120	
40. TOTALS (Lines 36 to 39) .....	253,503		988,120	

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

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
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 (a) .....	
---	--

**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 (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium .....								
49. Disability Income .....								
50. Extended Benefits .....			X X X	X X X				
51. Other .....								
52. TOTAL .....		(b)		(b)		(b)		(b)

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General 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)				
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)				
7. Reinsurance ceded				
8. TOTALS (Lines 6 and 7)				
9. In force end of year				
<b>NONE</b>				
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	1,581	138,068,818				
2. Issued during year	429	13,915,337				
3. Reinsurance assumed						
4. Increased during year (net)		X X X		X X X		X X X
5. TOTALS (Lines 1 to 4)	2,010	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)	200	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)	200	X X X		X X X		X X X
10. In force end of year	1,810	(a) 151,984,155		(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)		
<b>NONE</b>		
Deductions during year:		
6. Decreased (net)		
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 \$##### Transferred into the Reserve Net of Taxes of \$#####	
3.	Adjustment for current year's liability gains/(losses) released	
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) .....	

NONE

### 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. 2015				
2. 2016				
3. 2017				
4. 2018				
5. 2019				
6. 2020				
7. 2021				
8. 2022				
9. 2023				
10. 2024				
11. 2025				
12. 2026				
13. 2027				
14. 2028				
15. 2029				
16. 2030				
17. 2031				
18. 2032				
19. 2033				
20. 2034				
21. 2035				
22. 2036				
23. 2037				
24. 2038				
25. 2039				
26. 2040				
27. 2041				
28. 2042				
29. 2043				
30. 2044				
31. 2045 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 .....	114,734		114,734	53,207	0	53,208	167,941
2. Realized Capital Gains/(Losses) Net of Taxes - General Account .....							
3. Realized Capital Gains/(Losses) Net of Taxes - Separate Accounts .....							
4. Unrealized Capital Gains/(Losses) Net of Deferred Taxes - General Account .....	(50,293)		(50,293)	(27,722)		(27,722)	(78,015)
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 .....	14,894		14,894				14,894
8. Accumulated Balances (Lines 1 through 5 minus 6 plus 7) .....	79,335		79,335	25,485	0	25,486	104,820
9. Maximum Reserve .....	154,726		154,726	43,010		43,010	197,736
10. Reserve Objective .....	133,146		133,146	43,010		43,010	176,156
11. 20% of (Line 10 - Line 8) .....	10,762		10,762	3,505	0	3,505	14,267
12. Balance Before Transfers (Lines 8 + 11) .....	90,097		90,097	28,990	0	28,990	119,087
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) .....	90,097		90,097	28,990	0	28,990	119,087

## 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 .....	316,770	X X X	X X X	316,770	0.0000		0.0000		0.0000	
2.	1	Highest Quality .....	5,218,035	X X X	X X X	5,218,035	0.0004	2,087	0.0023	12,001	0.0030	15,654
3.	2	High Quality .....	249,547	X X X	X X X	249,547	0.0019	474	0.0058	1,447	0.0090	2,246
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 .....	441,469	X X X	X X X	441,469	0.0000		0.2000	88,294	0.2000	88,294
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 Bonds (Sum of Lines 1 through 8) .....	6,225,821	X X X	X X X	6,225,821	X X X	2,561	X X X	101,743	X X X	106,194
<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 .....		X X X	X X X		0.0213		0.0530		0.0750	
14.	5	Lower Quality .....	285,486	X X X	X X X	285,486	0.0432	12,333	0.1100	31,403	0.1700	48,533
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) .....	285,486	X X X	X X X	285,486	X X X	12,333	X X X	31,403	X X X	48,533
<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) .....	6,511,307	X X X	X X X	6,511,307	X X X	14,894	X X X	133,146	X X X	154,726

**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 .....	215,052	X X X	X X X	215,052	0.0000		0.2000 (a)	43,010	0.2000 (a)	43,010
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/Near Default .....					X X X		X X X		X X X	
12.		Unaffiliated Common Stock Public .....					0.0000		0.1600 (a)		0.1600 (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) .....	215,052			215,052	X X X		X X X	43,010	X X X	43,010
<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	2	3	4	5	6	7	8
Contract Numbers	Claim Numbers	State of Residence of Claimant	Year of Claim for Death or Disability	Amount Claimed	Amount Paid During the Year	Amount Resisted Dec. 31 of Current Year	Why Compromised or Resisted
2699999 Subtotals - Claims Disposed of During Current Year .....							X X X .....
5399999 Totals .....							X X X .....

## 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	305,131,247	X X X	266,108,284	X X X		X X X		X X X		X X X	39,022,963	X X X		X X X		X X X		X X X
2.	Premiums earned	303,968,309	X X X	265,129,754	X X X		X X X		X X X		X X X	38,838,556	X X X		X X X		X X X		X X X
3.	Incurred claims	271,959,182	89.5	225,884,164	85.2							46,075,018	118.6						
4.	Cost containment expenses																		
5.	Incurred claims and cost containment expenses (Lines 3 and 4)	271,959,182	89.5	225,884,164	85.2							46,075,018	118.6						
6.	Increase in contract reserves																		
7.	Commissions (a)	13,559,170	4.5	11,603,170	4.4							1,955,999	5.0						
8.	Other general insurance expenses	21,252,922	7.0	18,534,905	7.0							2,718,017	7.0						
9.	Taxes, licenses and fees	3,499,967	1.2	3,052,359	1.2							447,608	1.2						
10.	Total other expenses incurred	38,312,059	12.6	33,190,434	12.5							5,121,624	13.2						
11.	Aggregate write-ins for deductions	5,184,736	1.7	5,184,736	2.0														
12.	Gain from underwriting before dividends or refunds	(11,487,667)	(3.8)	870,419	0.3							(12,358,086)	(31.8)						
13.	Dividends or refunds																		
14.	Gain from underwriting after dividends or refunds	(11,487,667)	(3.8)	870,419	0.3							(12,358,086)	(31.8)						
<b>DETAILS OF WRITE-INS</b>																			
1101.	Federal Health Providers Fees	5,184,736	1.7	5,184,736	2.0														
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)	5,184,736	1.7	5,184,736	2.0														

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	1,423,364	291,278				1,132,087			
3. Reserve for rate credits									
4. TOTAL Premium reserves, current year	1,423,364	291,278				1,132,087			
5. TOTAL Premium reserves, prior year	1,018,794					1,018,794			
6. Increase in total premium reserves	404,570	291,278				113,293			
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	36,472,205	29,562,304				6,909,901			
2. TOTAL Prior year	22,703,185	20,607,091				2,096,094			
3. Increase	13,769,020	8,955,213				4,813,807			
<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	21,445,275	18,822,694				2,622,580			
1.2 On claims incurred during current year	236,744,887	198,106,257				38,638,630			
2. Claim Reserves and Liabilities, December 31, Current Year:									
2.1 On claims incurred prior to current year	278,014	237,488				40,526			
2.2 On claims incurred during current year	36,194,191	29,324,816				6,869,375			
3. Test:									
3.1 Lines 1.1 and 2.1	21,723,288	19,060,182				2,663,106			
3.2 Claim reserves and liabilities, December 31, prior year	22,703,185	20,607,091				2,096,094			
3.3 Line 3.1 minus Line 3.2	(979,896)	(1,546,909)				567,012			
<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 .....	271,959,181			271,959,181
2. Beginning Claim Reserves and Liabilities .....	22,703,185			22,703,185
3. Ending Claim Reserves and Liabilities .....	36,472,205			36,472,205
4. Claims Paid .....	258,190,161			258,190,161
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 .....	271,959,181			271,959,181
14. Beginning Claim Reserves and Liabilities .....	22,703,185			22,703,185
15. Ending Claim Reserves and Liabilities .....	36,472,205			36,472,205
16. Claims Paid .....	258,190,161			258,190,161
E. Net Incurred Claims and Cost Containment Expenses:				
17. Incurred Claims and Cost Containment Expenses .....	271,959,181			271,959,181
18. Beginning Reserves and Liabilities .....	22,703,185			22,703,185
19. Ending Reserves and Liabilities .....	36,472,205			36,472,205
20. Paid Claims and Cost Containment Expenses .....	258,190,161			258,190,161

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		
<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				164,132				
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														
2299999 Total - General Account - Unauthorized														
2599999 Subtotal - General Account - Certified - Affiliates - U.S. - Total														
3399999 Total - General Account - Certified														
3499999 Total - General Account - Authorized, Unauthorized and Certified														
3799999 Subtotal - Separate Accounts - Authorized - Affiliates - U.S. - Total														
4599999 Total - Separate Accounts - Authorized														
4899999 Subtotal - Separate Accounts - Unauthorized - Affiliates - U.S. - Total														
5699999 Total - Separate Accounts - Unauthorized														
5999999 Subtotal - Separate Accounts - Certified - Affiliates - U.S. - Total														
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		
<b>General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates</b>													
21113	13-5459190	01/01/2014	UNITED STATES FIRE INS CO	DE	OTH/G	OL	1,162,938						
0899999 Subtotal - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates							1,162,938						
1099999 Total - General Account - Authorized - Non-Affiliates							1,162,938						
1199999 Total - General Account Authorized							1,162,938						
1499999 Subtotal - General Account - Unauthorized - Affiliates - U.S. - Total													
2299999 Total - General Account - Unauthorized													
2599999 Subtotal - General Account - Certified - Affiliates - U.S. - Total													
3399999 Total - General Account - Certified													
3499999 Total - General Account - Authorized, Unauthorized and Certified							1,162,938						
3799999 Subtotal - Separate Accounts - Authorized - Affiliates - U.S. - Total													
4599999 Total - Separate Accounts - Authorized													
4899999 Subtotal - Separate Accounts - Unauthorized - Affiliates - U.S. - Total													
5699999 Total - Separate Accounts - Unauthorized													
5999999 Subtotal - Separate Accounts - Certified - Affiliates - U.S. - Total													
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)							1,162,938						
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)							1,162,938						

## SCHEDULE S - PART 4

### Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+11+12 +13+14 But Not in Excess of Col. 8
9999999 Total (Sum of 2399999 and 3499999) .....									... X X X ...					

(a)

Issuing or Confirming Bank Reference Number	Letters of Credit Code	American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Letters of Credit Amount
			<div style="border: 1px solid black; padding: 5px; display: inline-block; font-size: 2em; font-weight: bold;">N O N E</div>	
.....	.....	.....	.....	.....



## SCHEDULE S - PART 6

### Five-Year Exhibit of Reinsurance Ceded Business

(000 Omitted)

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>A. OPERATIONS ITEMS:</b>					
1. Premiums and annuity considerations for life and accident and health contracts .....	1,327	1,385	1,302	1,070	1,164
2. Commissions and reinsurance expense allowances .....					
3. Contract claims .....		344	(250)	(107)	179
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		250	357
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 .....					X X X
<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 .....					X X X
23. Funds deposited by and withheld from (F) .....					X X X
24. Letters of credit (L) .....					X X X
25. Trust agreements (T) .....					X X X
26. Other (O) .....					X X X

**SCHEDULE S - PART 7****Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance**

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
<b>ASSETS (Page 2, Column 3)</b>			
1. Cash and invested assets (Line 12) .....	49,943,835		49,943,835
2. Reinsurance (Line 16) .....			
3. Premiums and considerations (Line 15) .....	16,166,616		16,166,616
4. Net credit for ceded reinsurance .....	X X X		
5. All other admitted assets (balance) .....	5,546,366		5,546,366
6. TOTAL Assets excluding Separate Accounts (Line 26) .....	71,656,818		71,656,818
7. Separate Account assets (Line 27) .....			
8. TOTAL Assets (Line 28) .....	71,656,818		71,656,818
<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) .....	36,722,205		36,722,205
12. Policyholder dividends/reserves (Lines 5 through 7) .....			
13. Premium & annuity considerations received in advance (Line 8) .....	1,423,364		1,423,364
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) .....	23,119,010		23,119,010
20. TOTAL Liabilities excluding Separate Accounts (Line 26) .....	61,264,579		61,264,579
21. Separate Account liabilities (Line 27) .....			
22. TOTAL Liabilities (Line 28) .....	61,264,579		61,264,579
23. Capital & surplus (Line 38) .....	10,392,238	X X X	10,392,238
24. TOTAL Liabilities, capital and surplus (Line 39) .....	71,656,818		71,656,818
<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	2,587,519		305,131,247		307,718,766	
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	2,587,519		305,131,247		307,718,766	
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	2,587,519		305,131,247		307,718,766	
96.	Plus Reinsurance Assumed	X X X						
97.	TOTALS (All Business)	X X X	2,587,519		305,131,247		307,718,766	
98.	Less Reinsurance Ceded	X X X	164,132		1,162,938		1,327,070	
99.	TOTALS (All Business) less Reinsurance Ceded	X X X	2,423,387		(b). 303,968,309		306,391,697	

DETAILS OF WRITE-INS							
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**

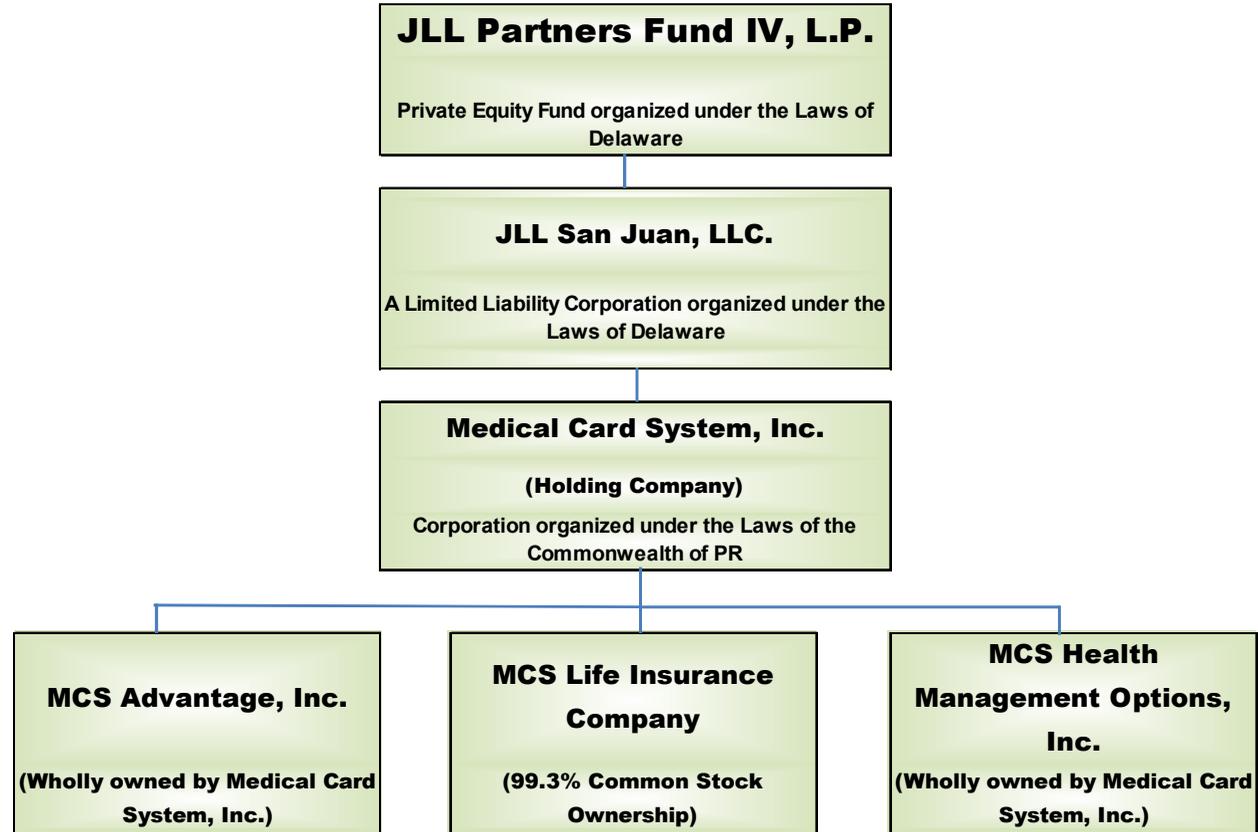
Direct Business only						
States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama (AL)						
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)						
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)	2,587,519					2,587,519
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CAN)						
58. Aggregate other alien (OT)						
59. TOTALS	2,587,519					2,587,519

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

#### Holding Company System's Organizational Chart



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

## SCHEDULE Y

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

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

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 .. .. 66-0396197 ..	MCS LIFE INS CO ..... Medical Card System, Inc .....	.....	.....	.....	.....	14,369,172 (14,369,172)	.....	.....	.....	14,369,172 (14,369,172)	.....
9999999 Control Totals .....			.....	.....	.....	.....	.....	.....	X X X	.....	.....	.....

Schedule Y Part 2 Explanation:

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Response

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

## MARCH FILING

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

The following supplemental reports are required to be filed as part of your 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 confidential Regulatory Asset Adequacy Issues Summary (RAAIS) required by Actuarial Opinion and Memorandum Regulation (Model 822), Section 7A(5), be filed with the state of domicile by March 15?   | No  |

## APRIL FILING

- |  |     |
|--|-----|
| 41. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?  | No  |
| 42. Will the Interest Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1?                                  | No  |
| 43. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?  | No  |
| 44. Will the Accident and Health Policy Experience Exhibit be filed by April 1?  | Yes |
| 45. Will the Analysis of Annuity Operations by Line of Business be filed with the state of domicile and the NAIC by April 1?                                       | No  |
| 46. 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  |
| 47. 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 |
| 48. 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 |

49. Will the confidential Actuarial Memorandum required by Actuarial Guideline XXXVIII 8D be filed with the state of domicile by April 30?  
 50. Will the Supplemental XXX/AXXX Reinsurance Exhibit be filed with the state of domicile and the NAIC by April 1?

No  
 No

AUGUST FILING

51. 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  
  
 6003020153600000 2015 Document Code: 360

Trusted Surplus Statement  
  
 6003020154900000 2015 Document Code: 490

Actuarial Opinion on Participating and Non-Participating Policies  
  
 60030201537100000 2015 Document Code: 371

Statement of Non-Guaranteed Elements for Exhibit 5  
  
 60030201537000000 2015 Document Code: 370

Actuarial Opinion on X-Factors  
  
 60030201544200000 2015 Document Code: 442

Separate Accounts Funding Guaranteed Minimum Benefits Actuarial Opinion  
  
 60030201544300000 2015 Document Code: 443

Synthetic Guaranteed Investment Contracts Actuarial Opinion  
  
 60030201544400000 2015 Document Code: 444

Reasonableness 1 - Assumptions  
  
 60030201544500000 2015 Document Code: 445

Reasonableness 2 - Consistency  
  
 60030201544600000 2015 Document Code: 446

Reasonableness 3 - Implied Guarantee  
  
 60030201544700000 2015 Document Code: 447

Reasonableness 4 - Ave. Market Value  
  
 60030201544800000 2015 Document Code: 448

Reasonableness 5 - Market Value  
  
 60030201544900000 2015 Document Code: 449

C-3 RBC Certifications required under C-3 Phase I  
  
 60030201545000000 2015 Document Code: 450

C-3 RBC Certifications required under C-3 Phase II  
  
 60030201545100000 2015 Document Code: 451

Actuarial Certifications related to Annuity Nonforeiture Ongoing Compliance  
  
 60030201545200000 2015 Document Code: 452

Actuarial Opion required by the Modified Guaranteed Annuity Model Reg  
  
 60030201545300000 2015 Document Code: 453

Act Cert Rel to Hedging req by Actuarial Guideline XLIII  
  
 60030201543600000 2015 Document Code: 436

Fin Off Cert Rel to Clearly Def Hedging Strat req by Act Guid XLIII  
  
 60030201543700000 2015 Document Code: 437

Mgt Cert That the Val Reflects Mgt's Intent req by Act Guid XLIII  
  
 60030201543800000 2015 Document Code: 438

Act Cert Related to the Reserves required by Actuarial Guiding XLIII  
  
 60030201543900000 2015 Document Code: 439

Actuarial Certification regarding the use of 2001 Preferred Class Tables  
  
 60030201545400000 2015 Document Code: 454

Worker's Compensation Carve-out Supplement  
  
 60030201549500000 2015 Document Code: 495

Medicare Part D Coverage Supplement  
  
 60030201536500000 2015 Document Code: 365

Approval for Relief related to five-year rotation for lead Audit Partner  
  
 60030201522400000 2015 Document Code: 224

Approval for Relief related to one-year cooling off period for inde. CPA  
  
 60030201522500000 2015 Document Code: 225

Approval for Relief related to Require. for Audit Committees  
  
 60030201522600000 2015 Document Code: 226

Regulatory Asset Adequacy Issues Summary (RAAIS)  
  
 60030201543400010 2015 Document Code: 434

LTC Supplemental Interrogatorries  
  
 60030201530600000 2015 Document Code: 306

Interest Sensitive Life Insurance Products Report  
  
 60030201528000000 2015 Document Code: 280

Credit Insurance Exhibit  
  
 60030201523000000 2015 Document Code: 230

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

Analysis of Annuity Operations by Lines of Business



60030201551000000 2015 Document Code: 510

Analysis of Increase in Annuity Reserves During the Year



60030201551500000 2015 Document Code: 515

Actuarial Memo. req. by Actuarial Guideline XXXVIII 8D



60030201543500010 2015 Document Code: 435

Supplemental XXX/AXXX Reinsurance Exhibit



60030201534500000 2015 Document Code: 345

Management's Report of Internal Control over Financial Reporting



60030201522300000 2015 Document Code: 223



## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1	2	3	4	5	6
	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	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 .....	3,058,263	6.124	3,058,263		3,058,263	6.124
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 .....	2,393,218	4.792	2,393,218		2,393,218	4.792
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 .....	316,770	0.634	316,770		316,770	0.634
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) .....	457,570	0.916	457,570		457,570	0.916
2.2 Unaffiliated Non-U.S. securities (including Canada) .....						
2.3 Affiliated securities .....						
3. Equity interests:						
3.1 Investments in mutual funds .....	215,052	0.431	215,052		215,052	0.431
3.2 Preferred stocks:						
3.21 Affiliated .....						
3.22 Unaffiliated .....	285,486	0.572	285,486		285,486	0.572
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 .....	43,212,164	86.531	43,212,164		43,212,164	86.531
11. Other invested assets .....						
12. TOTAL Invested assets .....	49,938,523	100.000	49,938,523		49,938,523	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 .....		12,821,712
2. Cost of bonds and stocks acquired, Part 3, Column 7 .....		
3. Accrual of Discount .....		336,698
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12 .....		
4.2 Part 2, Section 1, Column 15 .....	(50,293)	
4.3 Part 2, Section 2, Column 13 .....	(27,722)	
4.4 Part 4, Column 11 .....		(78,015)
5. TOTAL gain (loss) on disposals, Part 4, Column 19 .....		(9,737)
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....		5,402,664
7. Deduct amortization of premium .....		98,100
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 .....	843,535	
9.2 Part 2, Section 1, Column 17 .....		
9.3 Part 2, Section 2, Column 14 .....		
9.4 Part 4, Column 13 .....		843,535
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....		6,726,359
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....		6,726,359

## SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States .....	3,375,033	3,489,877	3,471,188	3,324,271
	2. Canada .....				
	3. Other Countries .....				
	4. TOTALS .....	3,375,033	3,489,877	3,471,188	3,324,271
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 .....	2,393,218	2,428,404	2,454,578	3,140,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. TOTALS .....				
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States .....	457,570	548,777	456,655	663,000
	9. Canada .....				
	10. Other Countries .....				
	11. TOTALS .....	457,570	548,777	456,655	663,000
Parent, Subsidiaries and Affiliates	12. TOTALS .....				
	13. TOTAL Bonds .....	6,225,821	6,467,058	6,382,421	7,127,271
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States .....	285,486	285,486	251,464	
	15. Canada .....				
	16. Other Countries .....				
	17. TOTALS .....	285,486	285,486	251,464	
Parent, Subsidiaries and Affiliates	18. TOTALS .....				
	19. TOTAL Preferred Stocks .....	285,486	285,486	251,464	
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States .....	215,052	215,052	193,053	
	21. Canada .....				
	22. Other Countries .....				
	23. TOTALS .....	215,052	215,052	193,053	
Parent, Subsidiaries and Affiliates	24. TOTALS .....				
	25. TOTAL Common Stocks .....	215,052	215,052	193,053	
	26. TOTAL Stocks .....	500,538	500,538	444,517	
	27. TOTAL Bonds and Stocks .....	6,726,359	6,967,596	6,826,938	

## SCHEDULE D - PART 1A - SECTION 1

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

	1	2	3	4	5	6	7	8	9	10	11
NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments											
1.1 NAIC 1	1,388,174	1,670,089	26,746	290,024		3,375,034	54.21	8,639,440	70.57	3,375,034	
1.2 NAIC 2											
1.3 NAIC 3											
1.4 NAIC 4											
1.5 NAIC 5											
1.6 NAIC 6											
1.7 TOTALS	1,388,174	1,670,089	26,746	290,024		3,375,034	54.21	8,639,440	70.57	3,375,034	
2. All Other Governments											
2.1 NAIC 1											
2.2 NAIC 2											
2.3 NAIC 3											
2.4 NAIC 4											
2.5 NAIC 5											
2.6 NAIC 6											
2.7 TOTALS											
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 NAIC 1											
3.2 NAIC 2											
3.3 NAIC 3											
3.4 NAIC 4											
3.5 NAIC 5											
3.6 NAIC 6											
3.7 TOTALS											
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 NAIC 1	140,000	1,696,572				1,836,572	29.50	2,330,745	19.04	1,836,572	
4.2 NAIC 2		249,547				249,547	4.01			249,547	
4.3 NAIC 3								836,530	6.83		
4.4 NAIC 4											
4.5 NAIC 5											
4.6 NAIC 6		275,000	32,098			307,098	4.93			307,098	
4.7 TOTALS	140,000	2,221,119	32,098			2,393,217	38.44	3,167,275	25.87	2,393,217	
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 NAIC 1											
5.2 NAIC 2											
5.3 NAIC 3											
5.4 NAIC 4											
5.5 NAIC 5											
5.6 NAIC 6											
5.7 TOTALS											

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

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

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 NAIC 1 .....				120,661	202,538	323,199	5.19	323,105	2.64	323,199	
6.2 NAIC 2 .....											
6.3 NAIC 3 .....											
6.4 NAIC 4 .....											
6.5 NAIC 5 .....											
6.6 NAIC 6 .....	134,371					134,371	2.16	113,339	0.93	134,371	
6.7 TOTALS .....	134,371			120,661	202,538	457,570	7.35	436,444	3.56	457,570	
7. Hybrid Securities											
7.1 NAIC 1 .....											
7.2 NAIC 2 .....											
7.3 NAIC 3 .....											
7.4 NAIC 4 .....											
7.5 NAIC 5 .....											
7.6 NAIC 6 .....											
7.7 TOTALS .....											
8. Parent, Subsidiaries and Affiliates											
8.1 NAIC 1 .....											
8.2 NAIC 2 .....											
8.3 NAIC 3 .....											
8.4 NAIC 4 .....											
8.5 NAIC 5 .....											
8.6 NAIC 6 .....											
8.7 TOTALS .....											

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

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

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 NAIC 1	(d) 1,528,174	3,366,661	26,746	410,685	202,538	5,534,805	88.90	X X X	X X X	5,534,805	
9.2 NAIC 2	(d) 249,547					249,547	4.01	X X X	X X X	249,547	
9.3 NAIC 3	(d)							X X X	X X X		
9.4 NAIC 4	(d)							X X X	X X X		
9.5 NAIC 5	(d)					(c)		X X X	X X X		
9.6 NAIC 6	(d) 134,371	275,000	32,098			(c) 441,469	7.09	X X X	X X X	441,469	
9.7 TOTALS	1,662,545	3,891,208	58,844	410,685	202,538	(b) 6,225,821	100.00	X X X	X X X	6,225,821	
9.8 Line 9.7 as a % of Column 6	26.70	62.50	0.95	6.60	3.25	100.00	X X X	X X X	X X X	100.00	
10. Total Bonds Prior Year											
10.1 NAIC 1	4,896,136	5,502,199		692,367	202,589	X X X	X X X	11,293,290	92.24	11,293,290	
10.2 NAIC 2						X X X	X X X				
10.3 NAIC 3						X X X	X X X				
10.4 NAIC 4		777,260	59,270			X X X	X X X	836,530	6.83	836,530	
10.5 NAIC 5						X X X	X X X	(c)			
10.6 NAIC 6		113,339				X X X	X X X	(c) 113,339	0.93	113,339	
10.7 TOTALS	4,896,136	6,392,798	59,270	692,367	202,589	X X X	X X X	(b) 12,243,159	100.00	12,243,159	
10.8 Line 10.7 as a % of Col. 8	39.99	52.22	0.48	5.66	1.65	X X X	X X X	100.00	X X X	100.00	
11. Total Publicly Traded Bonds											
11.1 NAIC 1	1,528,174	3,366,661	26,746	410,685	202,538	5,534,805	88.90	11,293,290	92.24	5,534,805	X X X
11.2 NAIC 2		249,547				249,547	4.01			249,547	X X X
11.3 NAIC 3											X X X
11.4 NAIC 4								836,530	6.83		X X X
11.5 NAIC 5											X X X
11.6 NAIC 6	134,371	275,000	32,098			441,469	7.09	113,339	0.93	441,469	X X X
11.7 TOTALS	1,662,545	3,891,208	58,844	410,685	202,538	6,225,821	100.00	12,243,159	100.00	6,225,821	X X X
11.8 Line 11.7 as a % of Col. 6	26.70	62.50	0.95	6.60	3.25	100.00	X X X	X X X	X X X	100.00	X X X
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	26.70	62.50	0.95	6.60	3.25	100.00	X X X	X X X	X X X	100.00	X X X
12. Total Privately Placed Bonds											
12.1 NAIC 1										X X X	
12.2 NAIC 2										X X X	
12.3 NAIC 3										X X X	
12.4 NAIC 4										X X X	
12.5 NAIC 5										X X X	
12.6 NAIC 6										X X X	
12.7 TOTALS										X X X	
12.8 Line 12.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9							X X X	X X X	X X X	X X X	

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

# SCHEDULE D - PART 1A - SECTION 2

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

Distribution by Type		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1.	U.S. Governments											
1.1	Issuer Obligations	1,388,174	1,670,089				3,058,263	49.12	8,068,350	65.90	3,058,263	
1.2	Residential Mortgage-Backed Securities			26,746	290,024		316,770	5.09	571,090	4.66	316,770	
1.3	Commercial Mortgage-Backed Securities											
1.4	Other Loan-Backed and Structured Securities											
1.5	TOTALS	1,388,174	1,670,089	26,746	290,024		3,375,034	54.21	8,639,440	70.57	3,375,034	
2.	All Other Governments											
2.1	Issuer Obligations											
2.2	Residential Mortgage-Backed Securities											
2.3	Commercial Mortgage-Backed Securities											
2.4	Other Loan-Backed and Structured Securities											
2.5	TOTALS											
3.	U.S. States, Territories and Possessions, Guaranteed											
3.1	Issuer Obligations											
3.2	Residential Mortgage-Backed Securities											
3.3	Commercial Mortgage-Backed Securities											
3.4	Other Loan-Backed and Structured Securities											
3.5	TOTALS											
4.	U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1	Issuer Obligations	140,000	2,221,119	32,098			2,393,217	38.44	3,167,275	25.87	2,393,217	
4.2	Residential Mortgage-Backed Securities											
4.3	Commercial Mortgage-Backed Securities											
4.4	Other Loan-Backed and Structured Securities											
4.5	TOTALS	140,000	2,221,119	32,098			2,393,217	38.44	3,167,275	25.87	2,393,217	
5.	U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1	Issuer Obligations											
5.2	Residential Mortgage-Backed Securities											
5.3	Commercial Mortgage-Backed Securities											
5.4	Other Loan-Backed and Structured Securities											
5.5	TOTALS											
6.	Industrial and Miscellaneous											
6.1	Issuer Obligations	134,371			120,661	202,538	457,570	7.35	436,445	3.56	457,570	
6.2	Residential Mortgage-Backed Securities											
6.3	Commercial Mortgage-Backed Securities											
6.4	Other Loan-Backed and Structured Securities											
6.5	TOTALS	134,371			120,661	202,538	457,570	7.35	436,445	3.56	457,570	
7.	Hybrid Securities											
7.1	Issuer Obligations											
7.2	Residential Mortgage-Backed Securities											
7.3	Commercial Mortgage-Backed Securities											
7.4	Other Loan-Backed and Structured Securities											
7.5	TOTALS											
8.	Parent, Subsidiaries and Affiliates											
8.1	Issuer Obligations											
8.2	Residential Mortgage-Backed Securities											
8.3	Commercial Mortgage-Backed Securities											
8.4	Other Loan-Backed and Structured Securities											
8.5	TOTALS											

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

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

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
9. Total Bonds Current Year											
9.1 Issuer Obligations	1,662,545	3,891,208	32,098	120,661	202,538	5,909,050	94.91	X X X	X X X	5,909,050	
9.2 Residential Mortgage-Backed Securities			26,746	290,024		316,770	5.09	X X X	X X X	316,770	
9.3 Commercial Mortgage-Backed Securities								X X X	X X X		
9.4 Other Loan-Backed and Structured Securities								X X X	X X X		
9.5 TOTALS	1,662,545	3,891,208	58,844	410,685	202,538	6,225,821	100.00	X X X	X X X	6,225,821	
9.6 Line 9.5 as a % of Col. 6	26.70	62.50	0.95	6.60	3.25	100.00	X X X	X X X	X X X	100.00	
10. Total Bonds Prior Year											
10.1 Issuer Obligations	4,896,896	6,392,798	59,270	120,517	202,589	X X X	X X X	11,672,070	95.34	11,672,070	
10.2 Residential Mortgage-Backed Securities	(760)			571,850		X X X	X X X	571,090	4.66	571,090	
10.3 Commercial Mortgage-Backed Securities						X X X	X X X				
10.4 Other Loan-Backed and Structured Securities						X X X	X X X				
10.5 TOTALS	4,896,136	6,392,798	59,270	692,367	202,589	X X X	X X X	12,243,160	100.00	12,243,160	
10.6 Line 10.5 as a % of Col. 8	39.99	52.22	0.48	5.66	1.65	X X X	X X X	100.00	X X X	100.00	
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	1,662,545	3,891,208	32,098	120,661	202,538	5,909,050	94.91	11,672,070	95.34	5,909,050	X X X
11.2 Residential Mortgage-Backed Securities			26,746	290,024		316,770	5.09	571,090	4.66	316,770	X X X
11.3 Commercial Mortgage-Backed Securities											X X X
11.4 Other Loan-Backed and Structured Securities											X X X
11.5 TOTALS	1,662,545	3,891,208	58,844	410,685	202,538	6,225,821	100.00	12,243,160	100.00	6,225,821	X X X
11.6 Line 11.5 as a % of Col. 6	26.70	62.50	0.95	6.60	3.25	100.00	X X X	X X X	X X X	100.00	X X X
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	26.70	62.50	0.95	6.60	3.25	100.00	X X X	X X X	X X X	100.00	X X X
12. Total Privately Placed Bonds											
12.1 Issuer Obligations										X X X	
12.2 Residential Mortgage-Backed Securities										X X X	
12.3 Commercial Mortgage-Backed Securities										X X X	
12.4 Other Loan-Backed and Structured Securities										X X X	
12.5 TOTALS										X X X	
12.6 Line 12.5 as a % of Col. 6							X X X	X X X	X X X	X X X	
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9							X X X	X X X	X X X	X X X	

SI10 Schedule DA - Verification ..... NONE

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

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

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

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

SI14 Schedule DB Verification ..... NONE

SI15 Schedule E - Verification ..... NONE

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

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

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

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

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

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

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

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

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

# SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	Code	F O R E I G N	B O N D C H A R	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>																						
31331YVR8	FFCB BOND 4.67% 2-27-18				1	1,090,835		107,4500	1,074,500	1,000,000		1,030,065	(13,279)		4.670	3.213	FA	16,086	46,700	02/22/2011	02/27/2018	
3133XY2H7	FHLB BOND 2.9% 4/20/17				1	282,132		101,9970	283,709	278,155		278,956	(601)		2.900	2.672	AO	1,591	8,182	05/27/2010	04/20/2017	
313771AA5	FHLB BOND 5.625% 06/13/2016				1	1,412,463		1,414,127	1,385,000			1,388,174	(7,077)		5.625	5.105	JD	3,895	77,906	06/25/2012	06/13/2016	
3133XEX79	FHLB BONDS SERIES 1 5.77%				1	10,321		107,2000	10,101	9,423		9,053	146		5.770	7.713	MS	148	556	11/27/2007	03/23/2018	
3133XNCA5	FHLB BOND YN-2017 1 5.25% 9/15/17				1	355,429		104,8970	368,915	351,693		352,015	(551)		5.250	4.896	MON	8,603	18,187	06/30/2008	09/15/2017	
0199999 Subtotal - U.S. Governments - Issuer Obligations						3,151,180	X X X	3,151,353	3,024,271	3,058,263		(21,362)			X X X	X X X	X X X	30,323	151,531	X X X	X X X	
<b>U.S. Governments - Residential Mortgage-Backed Securities</b>																						
36234CX34	GNMA POOL 425583 UNIT 99				1	27,192		114,0290	28,507	25,000		26,746	(133)		6.500	4.632	MON	87	1,625	05/08/2012	12/15/2025	
36235QRQ8	GNMA POOL 487543 UNIT 81				1	25,910		114,0290	28,507	25,000		25,737	(52)		6.500	5.678	MON	89	1,625	05/08/2012	09/15/2026	
36235QRL9	GNMA POOL 487543 UNIT 85				1	26,473		114,0290	28,507	25,000		26,214	(78)		6.500	5.266	MON	90	1,625	05/08/2012	04/15/2027	
36235QRJ4	GNMA POOL 487543 UNIT 87				1	26,535		114,0290	28,507	25,000		26,272	(79)		6.500	5.231	MON	90	1,625	05/08/2012	07/15/2027	
36235QRD7	GNMA POOL 487543 UNIT 92				1	26,785		114,0290	28,507	25,000		26,499	(86)		6.500	5.082	MON	91	1,625	05/08/2012	03/15/2028	
36235QQ97	GNMA POOL 487543 UNIT 96				1	27,192		114,0290	28,507	25,000		26,858	(100)		6.500	4.829	MON	92	1,625	05/08/2012	10/15/2028	
36235TPZ4	GNMA POOL 498826 UNIT 96				1	26,848		114,0290	28,507	25,000		26,566	(84)		6.500	5.072	MON	92	1,625	05/08/2012	08/15/2028	
36235XXK9	GNMA POOL 515329 UNIT 94				1	26,692		114,0290	28,507	25,000		26,450	(73)		6.500	5.202	MON	93	1,625	05/08/2012	05/15/2029	
36235XXF0	GNMA POOL 515329 UNIT 98				1	27,067		114,0290	28,507	25,000		26,784	(85)		6.500	4.970	MON	94	1,625	05/08/2012	11/15/2029	
36245UY22	GNMA POOL 702847 UNIT 069				1	26,438		109,2800	27,320	25,000		26,211	(46)		4.500	3.698	MON	60	1,250	04/27/2010	09/15/2033	
36245UYX4	GNMA POOL 702847 UNIT 070				1	26,438		109,2800	27,320	25,000		26,213	(45)		4.500	3.701	MON	60	1,250	04/27/2010	11/15/2033	
36245UYV8	GNMA POOL 702847 UNIT 072				1	26,438		109,2800	27,320	25,000		26,220	(44)		4.500	3.709	MON	61	1,250	04/27/2010	04/15/2034	
0299999 Subtotal - U.S. Governments - Residential Mortgage-Backed Securities						320,008	X X X	338,524	300,000	316,770		(905)			X X X	X X X	X X X	999	18,375	X X X	X X X	
0599999 Subtotal - U.S. Governments						3,471,188	X X X	3,489,877	3,324,271	3,375,033		(22,267)				X X X	X X X	X X X	31,322	169,906	X X X	X X X
<b>U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations</b>																						
29216MAF7	EMPLY RETRMT PR 5.85% DUE 7/1/2023				6FE	31,346		30,3390	30,339	100,000		32,098	2,718	29,891	5.850	27.911	JJ	2,925	5,850	06/25/2012	07/01/2023	
4546247C5	INDIANA BD BONDS 1.682% DUE 1/15/18				1	302,104		100,2100	300,630	300,000		300,948	(454)		1.682	1.524	JJ	2,425	5,046	06/06/2013	01/15/2018	
574204WV3	MARYLAND ST DPT TRANS 3.8%				1	510,590		105,6120	528,060	500,000		503,843	(1,477)		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		108,6910	217,382	200,000		216,537	(6,415)		5.223	1.821	JD	29	10,446	09/25/2012	06/30/2018	
720356Y4	PIERCE CNTY WA 4.350% 08/01/2019				1	175,309		108,4580	162,687	150,000		163,608	(3,651)		4.350	1.728	FA	2,719	6,525	09/25/2012	08/01/2019	
745177FM2	PR COMWLTH 3.875% DUE 02/01/2017				6	275,000		27,5000	275,000	1,000,000		275,000	155,062	657,322	3.875	172.898	FA	16,146	38,750	03/09/2012	02/01/2017	
74527ACG9	PR HSG FIN AUTH SINGLE FAMILY 4.6%				1	140,000		100,2450	140,343	140,000		140,000	4,600	6,440	4.600	6.000	MON	537	6,440	06/01/2008	12/01/2016	
452151LD3	ILLINOIS ST PENSNDG 4.35% 6-1-18				2FE	248,750		101,7850	254,463	250,000		249,547	171		4.350	4.428	JD	906	10,875	09/29/2010	06/01/2018	
777543QB8	ROSEMONT IL RFDG 4.130% 12/1/2017				1	534,375		103,9000	519,500	500,000		511,637	(5,829)		4.130	2.872	JD	1,721	20,650	12/05/2011	12/01/2017	
1899999 Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						2,454,578	X X X	2,428,404	3,140,000	2,393,218		140,125	687,213		X X X	X X X	X X X	28,252	123,582	X X X	X X X	
2499999 Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						2,454,578	X X X	2,428,404	3,140,000	2,393,218		140,125	687,213		X X X	X X X	X X X	28,252	123,582	X X X	X X X	
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Issuer Obligations</b>																						
337358BH7	FIRST UNION CORP. SUB. NOTES				1	119,260		124,9850	153,732	123,000		120,661	144		6.824	7.081	FA	3,497	9,316	09/11/2000	08/01/2026	
54866NB7	LOWES CO. INC.				1	203,024		130,3370	260,674	200,000		202,538	(50)		7.110	6.994	MS	4,187	14,220	02/08/2001	05/15/2037	
74526PAA2	PUERTO RICO CONS. DUE 04/01/2016				6	134,371		39,5210	134,371	340,000		134,371	177,354	156,322	6.500	447.681	MON	1,842	3,683	03/29/2001	04/01/2016	
3299999 Subtotal - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						456,655	X X X	548,777	663,000	457,570		177,448	156,322		X X X	X X X	X X X	9,526	27,219	X X X	X X X	
3899999 Subtotal - Industrial & Miscellaneous (Unaffiliated)						456,655	X X X	548,777	663,000	457,570		177,448	156,322		X X X	X X X	X X X	9,526	27,219	X X X	X X X	
7799999 Subtotals - Issuer Obligations						6,062,413	X X X	6,128,534	6,827,271	5,909,051		296,211	843,535		X X X	X X X	X X X	68,101	302,332	X X X	X X X	
7899999 Subtotals - Residential Mortgage-Backed Securities						320,008	X X X	338,524	300,000	316,770		(905)			X X X	X X X	X X X	999	18,375	X X X	X X X	
8399999 Grand Total - Bonds						6,382,421	X X X	6,467,058	7,127,271	6,225,821		295,306	843,535		X X X	X X X	X X X	69,100	320,707	X X X	X X X	

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## 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		19.300	285,486	19.300	285,486	251,464										
8499999	Subtotal - Industrial and Miscellaneous (Unaffiliated)						285,486	X X X	285,486	251,464									X X X	X X X
8999999	Total Preferred Stocks						285,486	X X X	285,486	251,464									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.		
<b>Mutual Funds</b>																	
000000000 .....	GLOBAL OPORTUNITIES CAPITAL .....			24,028.120	215,052	8.950	215,052	193,053		2,065		(27,722)		(27,722)		L .....	06/02/2014
9299999	Subtotal - Mutual Funds .....				215,052	X X X	215,052	193,053		2,065		(27,722)		(27,722)		X X X	X X X
9799999	Total Common Stocks .....				215,052	X X X	215,052	193,053		2,065		(27,722)		(27,722)		X X X	X X X
9899999	Total Preferred and Common Stocks .....				500,538	X X X	500,538	444,517		24,778		(78,015)		(78,015)		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	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
<b>NONE</b>								
9999999 Totals .....							XXX	

# 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>																				
31331V4Y9	FFCB BOND 5.150% 9/28/15		09/28/2015	MATURITY	X X X	2,500,000	2,500,000	2,788,750	2,541,951		(41,951)		(41,951)		2,500,000				128,750	09/28/2015
31331YSV3	FFCB BONDS 3.85% 2/11/15		02/11/2015	MATURITY	X X X	230,000	230,000	238,971	230,191		(191)		(191)		230,000				4,428	02/11/2015
3133XWNB1	FHLB BOND 2.875% 6/12/15		06/12/2015	MATURITY	X X X	1,000,000	1,000,000	1,019,000	1,001,773		(1,773)		(1,773)		1,000,000				14,375	06/12/2015
3133XWTZ2	FHLB BOND 2.875% 9/11/15		09/11/2015	MATURITY	X X X	1,030,000	1,030,000	1,034,506	1,030,605		(605)		(605)		1,030,000				29,613	09/11/2015
3133XY2H7	FHLB BOND 2.9% 4/20/17		12/21/2015	MATURITY	X X X	84,045	84,045	85,247	84,469		(424)		(424)		84,045				1,153	04/20/2017
3133XNCA5	FHLB BOND YN-2017 1 5.25% 9/15/17		12/15/2015	PRINCIPAL RECEIPT	X X X	69,027	69,027	69,760	69,198		(171)		(171)		69,027				1,641	09/15/2017
3133XRCT5	FHLB BONDS 4.48 5-20-2015		05/20/2015	MATURITY	X X X	27,445	27,445	27,756	27,376		69		69		27,445				494	05/20/2015
3133XEX79	FHLB BONDS SERIES 1 5.77%		12/21/2015	MATURITY	X X X	3,346	3,346	3,665	3,163		183		183		3,346				87	03/23/2018
31394VQ78	FNMA 06-12 5.50% DUE 09/25/2034		10/26/2015	VARIOUS	X X X	66,832	66,832	70,446	70,225		(3,074)		(3,074)		67,151		(319)	(319)	1,674	09/25/2034
992677QL1	FNMA POOL 536039		08/25/2015	VARIOUS	X X X	1,969	1,969	2,487	(760)		2,657		2,657		1,897		73	73	44	08/01/2015
36234CX59	GNMA POOL 425583 UNIT 97		12/15/2015	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,723	26,471		(1,471)		(1,471)		25,000				1,625	09/15/2025
36245UY63	GNMA POOL 702847 UNIT 063		01/15/2015	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,438	26,239		(1,239)		(1,239)		25,000				104	06/15/2032
36245UY55	GNMA POOL 702847 UNIT 064		01/15/2015	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,438	26,243		(1,243)		(1,243)		25,000				104	09/15/2032
36245UY48	GNMA POOL 702847 UNIT 065		01/15/2015	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,438	26,245		(1,245)		(1,245)		25,000				104	11/15/2032
36245UY30	GNMA POOL 702847 UNIT 066		01/15/2015	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,438	26,249		(1,249)		(1,249)		25,000				104	02/15/2033
36245UY22	GNMA POOL 702847 UNIT 067		01/15/2015	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,438	26,251		(1,251)		(1,251)		25,000				104	04/15/2033
36245UYZ9	GNMA POOL 702847 UNIT 068		08/15/2015	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,438	26,254		(1,254)		(1,254)		25,000				833	07/15/2033
0599999 Subtotal - Bonds - U.S. Governments						5,187,664	5,187,665	5,525,939	5,242,143		(54,232)		(54,232)		5,187,911		(246)	(246)	185,237	X X X
<b>Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)</b>																				
528878UB5	LEXINGTON & RICHLAND 3.625% 3/1/19		11/20/2015	Consultiva	X X X	150,000	150,000	168,154	161,970		(2,479)		(2,479)		159,491		(9,491)	(9,491)	6,631	03/01/2019
74527ACE4	PR HSG FIN AUTH SINGLE FAMILY 4.5%		12/01/2015	MATURITY	X X X	65,000	65,000	65,000	65,000						65,000				2,925	12/01/2015
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)						215,000	215,000	233,154	226,970		(2,479)		(2,479)		224,491		(9,491)	(9,491)	9,556	X X X
8399997 Subtotal - Bonds - Part 4						5,402,664	5,402,665	5,759,093	5,469,113		(56,711)		(56,711)		5,412,402		(9,737)	(9,737)	194,793	X X X
8399998 Summary Item from Part 5 for Bonds																				X X X
8399999 Subtotal - Bonds						5,402,664	5,402,665	5,759,093	5,469,113		(56,711)		(56,711)		5,412,402		(9,737)	(9,737)	194,793	X X X
8999998 Summary Item from Part 5 for Preferred Stocks																				X X X
9799998 Summary Item from Part 5 for Common Stocks																				X X X
9899999 Subtotal - Preferred and Common Stocks																				X X X
9999999 Totals						5,402,664	X X X	5,759,093	5,469,113		(56,711)		(56,711)		5,412,402		(9,737)	(9,737)	194,793	X X X

E14

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

## SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *	
<b>open depositories</b>							
Banco Popular .....					36,869,655	X X X	
Oriental Bank .....					69,794	X X X	
Consultiva International Inc .....					2,960,705	X X X	
Samuel A. Ramirez .....					1,912,557	X X X	
Banco Santander .....					503,563	X X X	
Government Development Bank .....					401,202	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	
0199999 Totals - Open Depositories .....						43,217,476	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	
0299999 Totals - Suspended Depositories .....						X X X	
0399999 Total Cash On Deposit .....						43,217,476	X X X
0499999 Cash in Company's Office .....						X X X	
0599999 Total Cash .....						43,217,476	X X X

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

1. January .....	29,141,593	4. April .....	28,102,775	7. July .....	29,371,751	10. October .....	27,319,844
2. February .....	30,174,307	5. May .....	26,620,581	8. August .....	32,791,997	11. November .....	28,484,078
3. March .....	28,667,438	6. June .....	30,409,070	9. September .....	30,657,897	12. December .....	43,217,476

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <b>N O N E</b> </div>							
8699999 Total Cash Equivalents .....							

## SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
				3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 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)		Statutory Requirement	1,312,729	1,312,729		
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	1,312,729	1,312,729		
<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				





**LIFE, HEALTH & ANNUITY GUARANTY ASSOCIATION  
MODEL ACT ASSESSMENT BASE RECONCILIATION EXHIBIT  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(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 .....	2,587,519		305,131,247	
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) .....	2,587,519		305,131,247	
<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 .....	2,587,519		305,131,247	
<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, 2015**

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)	2,587,519		305,131,247	
<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 (2015)	2,587,519		305,131,247	
<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, 2015  
(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 .....	2,587,519		305,131,247	
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) .....	2,587,519		305,131,247	
<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 .....	2,587,519		305,131,247	
<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, 2015  
(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. \$ 71,656,818

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	Preferred Stock, Cash and CD	38,051,031	53.102
2.02 Oregon Sch Bonds	Corporate Bonds	216,537	0.302
2.03 Puerto Rico Housing	Bonds	140,000	0.195
2.04 Illinois St Pension	Bonds	249,547	0.348
2.05 Pierce Cnty WA	Bonds	163,608	0.228
2.06 Indiana BD Bond	Bonds	300,948	0.420
2.07 Lowes Co	Corporate Bonds	202,538	0.283
2.08 Rosemount ILL RDFG	Bonds	511,637	0.714
2.09 Puerto Rico Commonwealth	Bonds	275,000	0.384
2.10 Maryland St Trans	Bonds	503,843	0.703

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	5,534,805	7.724
3.02 NAIC 2	249,547	0.348
3.03 NAIC 3		
3.04 NAIC 4		
3.05 NAIC 5		
3.06 NAIC 6	441,469	0.616
<b>Preferred Stocks</b>		
3.07 P/RP-1		
3.08 P/RP-2		
3.09 P/RP-3		
3.10 P/RP-4		
3.11 P/RP-5	285,486	0.398
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)

NAIC Sovereign Designation		1 Amount	2 Percent
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 .....		

NAIC Sovereign Designation		1 Amount	2 Percent
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	.....		

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

NAIC Sovereign Designation		1 Amount	2 Percent
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 .....		

NAIC Sovereign Designation		1 Amount	2 Percent
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?

Yes  No

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

	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  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  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 5 investments in any one parcel or group of contiguous parcels of real estate:		
18.02 .....		
18.03 .....		
18.04 .....		
18.05 .....		
18.06 .....		

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

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

Yes[X] No[ ]

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

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



**NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS**  
**SCHEDULE SIS**

**STOCKHOLDER INFORMATION SUPPLEMENT**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2015**

**(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 .....	Yes[ ] No[X]	Yes[ ] No[X]
b. Summary of Operations .....	Yes[ ] No[X]	Yes[ ] No[X]
c. Surplus Account .....	Yes[ ] No[X]	Yes[ ] No[X]
<b>To be answered by Property and Casualty Companies:</b>		
a. Statement of Assets, Liabilities, Surplus and Other Funds .....	Yes[ ] No[X]	Yes[ ] No[X]
b. Statement of Income - Underwriting and Investment Exhibit .....	Yes[ ] No[X]	Yes[ ] No[X]
c. Capital and Surplus Account .....	Yes[ ] No[X]	Yes[ ] No[X]
<b>To be answered by Title Insurance Companies</b>		
a. Statement of Assets, Liabilities, Surplus and Other Funds .....	Yes[ ] No[X]	Yes[ ] No[X]
b. Statement of Income - Operations and Investment Exhibit .....	Yes[ ] No[X]	Yes[ ] No[X]
c. Capital and Surplus Account .....	Yes[ ] No[X]	Yes[ ] No[X]
<b>To be answered by Health Insurance Companies:</b>		
a. Statement of Assets, Liabilities, Capital and Surplus .....	Yes[ ] No[X]	Yes[ ] No[X]
b. Statement of Revenue and Expenses .....	Yes[ ] No[X]	Yes[ ] No[X]
c. Capital and Surplus Account .....	Yes[ ] No[X]	Yes[ ] No[X]



## STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

(See Instructions Below)

1	2	3	Number of Shares					8	9	
			4	5	Disposed of During Current Year		Owned at End of Current Year			Percentage of Voting Stock Directly and Indirectly Owned or Controlled at the End of the 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:

Supp21	Workers Comp. Carve-Out Supp. Pt 1 Prem Earned	NONE
Supp21	Workers Comp. Carve-Out Supp. Pt 2 Prem Written	NONE
Supp21	Workers Comp. Carve-Out Supp. Pt 3 Losses Paid	NONE
Supp21	Workers Comp. Carve-Out Supp. Pt 4 Unpaid Losses	NONE
Supp22	Workers Comp. Carve-Out Supp. Sch F - Pt 1	NONE
Supp22	Workers Comp. Carve-Out Supp. Sch F - Pt 2	NONE
Supp23	Workers Comp. Carve-Out Supp. Sch P - Pt 1	NONE
Supp24	Workers Comp. Carve-Out Supp. Sch P - Pt 2	NONE
Supp24	Workers Comp. Carve-Out Supp. Sch P - Pt 3	NONE
Supp25	Workers Comp. Carve-Out Supp. Sch P - Pt 4	NONE
Supp25	Workers Comp. Carve-Out Supp. Sch P - Pt 5 Sn1	NONE
Supp25	Workers Comp. Carve-Out Supp. Sch P - Pt 5 Sn2	NONE
Supp25	Workers Comp. Carve-Out Supp. Sch P - Pt 5 Sn3	NONE
Supp26	Workers Comp. Carve-Out Supp. Sch P - Pt 6 Sn1	NONE
Supp26	Workers Comp. Carve-Out Supp. Sch P - Pt 6 Sn2	NONE



# SCHEDULE O SUPPLEMENT

For the Year Ended DECEMBER 31, 2015

(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 2011	2 2012	3 2013	4 2014	5 2015(a)
1. Prior .....	12,469	569	130		
2. 2011 .....	161,797	16,284	698	91	
3. 2012 .....	X X X	142,107	16,118	362	
4. 2013 .....	X X X	X X X	170,709	19,146	(76)
5. 2014 .....	X X X	X X X	X X X	188,646	18,899
6. 2015 .....	X X X	X X X	X X X	X X X	198,106

### Section B - Other Accident and Health

1. Prior .....	2,257	39	(1)		
2. 2011 .....	17,027	2,080	76	18	
3. 2012 .....	X X X	15,355	1,927	38	
4. 2013 .....	X X X	X X X	16,084	2,327	31
5. 2014 .....	X X X	X X X	X X X	20,082	2,591
6. 2015 .....	X X X	X X X	X X X	X X X	38,639

### Section C - Credit Accident and Health

1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

(a) See Paragraph 9 of 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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

**Section B - Other Accident and Health**

1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

**Section C - Credit Accident and Health**

1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	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 2011	2 2012	3 2013	4 2014	5 2015
1. 2011 .....	179,842	178,130	737	X X X	X X X
2. 2012 .....	X X X	155,449	16,749	158,583	X X X
3. 2013 .....	X X X	X X X	192,164	190,311	162
4. 2014 .....	X X X	X X X	X X X	206,728	42,666
5. 2015 .....	X X X	X X X	X X X	X X X	225,935

**Section B - Other Accident and Health**

1. 2011 .....	19,271	19,152	79	X X X	X X X
2. 2012 .....	X X X	17,098	1,956	17,321	X X X
3. 2013 .....	X X X	X X X	18,805	18,454	32
4. 2014 .....	X X X	X X X	X X X	21,808	2,629
5. 2015 .....	X X X	X X X	X X X	X X X	46,012

**Section C - Credit Accident and Health**

1. 2011 .....				X X X	X X X
2. 2012 .....	X X X				X X X
3. 2013 .....	X X X	X X X			
4. 2014 .....	X X X	X X X	X X X		
5. 2015 .....	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 2011	2 2012	3 2013	4 2014	5 2015
1. 2011 .....	180,030	178,133	178,818	178,868	
2. 2012 .....	X X X	155,449	158,857	158,583	
3. 2013 .....	X X X	X X X	192,164	190,311	
4. 2014 .....	X X X	X X X	X X X	206,728	
5. 2015 .....	X X X	X X X	X X X	X X X	

**Section B - Other Accident and Health**

1. 2011 .....	5,550	19,152	19,186	19,199	
2. 2012 .....	X X X	17,098	17,311	17,321	
3. 2013 .....	X X X	X X X	18,805	18,454	
4. 2014 .....	X X X	X X X	X X X	21,808	
5. 2015 .....	X X X	X X X	X X X	X X X	

**Section C - Credit Accident and Health**

1. 2011 .....					
2. 2012 .....	X X X				
3. 2013 .....	X X X	X X X			
4. 2014 .....	X X X	X X X	X X X		
5. 2015 .....	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	29,562
9. Credit accident and health .....		
10. Other accident and health .....	Development	6,910
11. TOTAL .....		36,722



## 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	

Supp32 Long Term Care Form 1 ..... NONE

Supp33 Long Term Care Form 2 ..... NONE

Supp34 Long Term Care Form 3 - Part A ..... NONE

Supp35 Long Term Care Form 3 - Part B ..... NONE

Supp36 Long Term Care Form 3 - Part C ..... NONE

Supp37 Long Term Care Form 4 ..... NONE

Supp38 Long Term Care Form 5 ..... NONE

**Supp39 Interest Sensitive Life - Title Page ..... NONE**

**Supp40 Interest Sensitive Life - Lines of Bus. .... NONE**

**Supp41 Interest Sensitive Life - Increase in Reserves ..... NONE**

**Supp42 Overflow Page for Write-Ins (Interest Sens. Life) ..... NONE**

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

		1	2	3	4
		Creditor Placed Home	Creditor Placed Auto	Personal Property	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 .....				
2.3	Other acquisitions, field supervision and collection expenses incurred .....				
2.4	General expenses incurred .....				

(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, 2015

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 .....	39,022,963	46,075,018		118.1	16,958	24,147	286,837
1.2. Without Contract Reserves .....							
1.3. Subtotal .....	39,022,963	46,075,018		118.1	16,958	24,147	286,837
<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 .....							

Supp52

## ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

Supp53

	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 .....	39,022,963	46,075,018		118.1	16,958	24,147	286,837
18.2. Without Contract Reserves .....							
<b>19. Grand Total Individual</b>	<b>39,022,963</b>	<b>46,075,018</b>		<b>118.1</b>	<b>16,958</b>	<b>24,147</b>	<b>286,837</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 .....	266,108,284	225,884,163		84.9	56,394	127,926	1,538,033
1.2. Other Employer .....							
1.3. Single Employer Subtotal .....	266,108,284	225,884,163		84.9	56,394	127,926	1,538,033
2. Multiple Employer Assns and Trusts .....							
3. Other Associations and Discretionary Trusts .....							
4. Other Comprehensive Major Medical .....							
5. Comprehensive/Major Medical Subtotal .....	266,108,284	225,884,163		84.9	56,394	127,926	1,538,033
<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 .....	266,108,284	225,884,163		84.9	56,394	127,926	1,538,033
<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 .....	305,131,247	271,959,180		89.1	73,352	152,073	1,824,870

**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	39,022,963	46,075,018		118.072
2. Other Forms Direct Business				
3. TOTAL Direct Business	39,022,963	46,075,018		118.072
4. Reinsurance Assumed				
5. Less Reinsurance Ceded	184,408			
6. TOTAL	38,838,556	46,075,018		118.632

**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	266,108,284	225,884,163		84.884
2. Other Forms Direct Business				
3. TOTAL Direct Business	266,108,284	225,884,163		84.884
4. Reinsurance Assumed				
5. Less Reinsurance Ceded	978,530			
6. TOTAL	265,129,754	225,884,163		85.198

**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	305,131,247	271,959,180		89.129
2. Other Forms Direct Business				
3. TOTAL Direct Business	305,131,247	271,959,180		89.129
4. Reinsurance Assumed				
5. Less Reinsurance Ceded	1,162,938			
6. TOTAL	303,968,309	271,959,180		89.470



**ANALYSIS OF ANNUITY OPERATIONS BY LINE OF BUSINESS**

For The Year Ended DECEMBER 31, 2015 (To Be Filed by April 1)

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	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

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**ANALYSIS OF INCREASE IN ANNUITY RESERVES DURING THE YEAR**  
 For The Year Ended DECEMBER 31, 2015  
 (To Be Filed by April 1)

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	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/committees\\_e\\_app\\_blanks.htm](http://www.naic.org/committees_e_app_blanks.htm))

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 2015

NAIC Company Code 60030

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	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							
1. Premium:															
01.1 Health premiums earned (From Part 2, Line 1.11)	39,022,964	84,015,966	182,092,319										305,131,249	X X X	305,131,249
01.2 Federal high risk pools														X X X	
01.3 State high risk pools														X X X	
01.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)	39,022,964	84,015,966	182,092,319										305,131,249	X X X	305,131,249
01.5 Federal taxes and federal assessments	689,200	1,419,335	3,076,201										5,184,736		5,184,736
01.6 State insurance, premium and other taxes (Similar local taxes of \$.....0)	411,561	847,568	1,836,979										3,096,108		3,096,108
01.6A Community Benefit Expenditures (informational only)															
01.7 Regulatory authority licenses and fees	23,396	48,182	104,428										176,006		176,006
01.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)	37,898,806	81,700,881	177,074,711										296,674,399	X X X	296,674,399
01.9 Net assumed less ceded reinsurance premiums earned	(184,408)	(308,942)	(669,588)										(1,162,937)	X X X	(1,162,937)
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)	37,714,399	81,391,939	176,405,124										295,511,462	X X X	295,511,462
2. Claims:															
2.1 Incurred claims excluding prescription drugs	32,092,788	51,821,671	117,662,498										201,576,957	X X X	201,576,957
2.2 Prescription drugs	10,698,392	20,593,750	40,855,274										72,147,415	X X X	72,147,415
2.3 Pharmaceutical rebates	261,752	503,856	999,584										1,765,192	X X X	1,765,192
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)														X X X	
5.0 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)	42,529,428	71,911,565	157,518,187										271,959,180	X X X	271,959,180
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)	42,529,428	71,911,565	157,518,187										271,959,180	X X X	271,959,180
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes	179,492	311,284	663,452										1,154,227		1,154,227
6.2 Activities to prevent hospital readmissions	18,630	32,309	68,861										119,799		119,799
6.3 Improve patient safety and reduce medical errors	21,796	37,800	80,565										140,161		140,161
6.4 Wellness and health promotion activities	26,606	46,141	98,342										171,088		171,088
6.5 Health Information Technology expenses related to health improvement	6,220	10,788	22,992										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)	252,744	438,321	934,211										1,625,276		1,625,276
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6 - Footnote 2.0) / Line 1.8	1.129	0.886	0.895								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	559,705	970,668	2,068,823										3,599,196		3,599,196
10.2 Agents and brokers fees and commissions	1,802,402	3,711,858	8,044,910										13,559,170		13,559,170
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)	30,288	62,375	135,189										227,852		227,852
10.4 Other general and administrative expenses	2,499,339	4,334,473	9,238,235										16,072,047		16,072,047
10.4A Community Benefit Expenditures (informational only)															
10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)	4,891,735	9,079,374	19,487,156										33,458,265		33,458,265
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	(9,959,508)	(37,321)	(1,534,431)										(11,531,260)	X X X	(11,531,260)
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	(11,531,260)	X X X	(11,531,260)
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	16,958	19,259	37,135										73,352		73,352
O2. Number of Covered Lives	24,147	40,583	87,073										151,803		151,803
O3. Number of Groups	X X X	1,700	101	X X X									1,801		1,801
O4. Member Months	286,837	491,174	1,046,859										1,824,870		1,824,870

(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

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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 2015**

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													
01.1	Direct premiums written	39,136,256	84,107,928	182,291,634									305,535,818	
01.2	Unearned premium prior year	1,018,794											1,018,794	
01.3	Unearned premium current year	1,132,087	91,962	199,315									1,423,364	
01.4	Change in unearned premium (Lines 1.2 - 1.3)	(113,293)	(91,962)	(199,315)									(404,570)	
01.5	Paid rate credits													
01.6	Reserve for rate credits current year													
01.7	Reserve for rate credits prior year													
01.8	Change in reserve for rate credits (Lines 1.6 - 1.7)													
01.9	Premium balances written off													
1.10	Group conversion charges													
1.11	TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)	39,022,964	84,015,966	182,092,319									305,131,249	
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	184,408	308,942	669,588									1,162,937	
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)	38,838,556	83,707,024	181,422,731									303,968,312	
2.	Direct Claims Incurred:													
02.1	Paid claims during the year	41,261,211	66,328,442	150,600,509									258,190,162	
02.2	Direct claim liability current year	6,909,901	9,039,004	20,523,300									36,472,205	
02.3	Direct claim liability prior year	2,096,094	6,143,652	14,463,440									22,703,186	
02.4	Direct claim reserves current year													
02.5	Direct claim reserves prior year													
02.6	Direct contract reserves current year													
02.7	Direct contract reserves prior year													
02.8	Paid rate credits													
02.9	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)	63,073	(24,066)	(27,052)									11,956	
2.12A	Healthcare receivables current year	89,826	145,046	329,332									564,204	
2.12B	Healthcare receivables prior year	26,753	169,112	356,384									552,249	
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)	46,011,945	69,247,859	156,687,422									271,947,225	
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)	46,011,945	69,247,859	156,687,422									271,947,225	
3.	Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)													

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

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**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3**

(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 2015

NAIC Group Code 1301

NAIC Company Code 60030

	All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claims Adjustment Expenses		
1.	Individual Comprehensive Coverage Expenses:										
01.1	Salaries (including \$.....0 for affiliated services)									559,705	559,705
01.2	Outsourced services										
01.3	EDP Equipment and Software (incl \$.....0 for affiliated services)					6,220	6,220				6,220
01.4	Other Equipment (excluding EDP) (incl \$.....0 for affiliated services)										
01.5	Accreditation and Certification (incl \$.....0 for affiliated services)		X X X	X X X	X X X	X X X					
01.6	Other Expenses (incl \$.....0 for affiliated services)	179,492	18,630	21,796	26,606		246,524			2,499,339	2,745,863
01.7	Subtotal before reimbursements and taxes (Lines 1.1 to 1.6)	179,492	18,630	21,796	26,606	6,220	252,744			3,059,044	3,311,788
01.8	Reimbursements by uninsured plans and fiscal intermediaries									30,288	30,288
01.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
1.10	TOTAL (Lines 1.7 to 1.9)	179,492	18,630	21,796	26,606	6,220	252,744			3,089,332	3,342,076
1.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
2.	Small Group Comprehensive Coverage Expenses:										
02.1	Salaries (including \$.....0 for affiliated services)									970,668	970,668
02.2	Outsourced services										
02.3	EDP Equipment and Software (incl \$.....0 for affiliated services)					10,788	10,788				10,788
02.4	Other Equipment (excluding EDP) (incl \$.....0 for affiliated services)										
02.5	Accreditation and Certification (incl \$.....0 for affiliated services)		X X X	X X X	X X X	X X X					
02.6	Other Expenses (incl \$.....0 for affiliated services)	311,284	32,309	37,800	46,141		427,533			4,334,473	4,762,007
02.7	Subtotal before reimbursements and taxes (Lines 2.1 to 2.6)	311,284	32,309	37,800	46,141	10,788	438,321			5,305,141	5,743,463
02.8	Reimbursements by uninsured plans and fiscal intermediaries										
02.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	62,375	62,375
2.10	TOTAL (Lines 2.7 to 2.9)	311,284	32,309	37,800	46,141	10,788	438,321			5,367,516	5,805,838
2.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
3.	Large Group Comprehensive Coverage Expenses:										
03.1	Salaries (including \$.....0 for affiliated services)									2,068,823	2,068,823
03.2	Outsourced services										
03.3	EDP Equipment and Software (incl \$.....0 for affiliated services)					22,992	22,992				22,992
03.4	Other Equipment (excluding EDP) (incl \$.....0 for affiliated services)										
03.5	Accreditation and Certification (incl \$.....0 for affiliated services)		X X X	X X X	X X X	X X X					
03.6	Other Expenses (incl \$.....0 for affiliated services)	663,452	68,861	80,565	98,342		911,219			9,238,235	10,149,454
03.7	Subtotal before reimbursements and taxes (Lines 3.1 to 3.6)	663,452	68,861	80,565	98,342	22,992	934,211			11,307,058	12,241,269
03.8	Reimbursements by uninsured plans and fiscal intermediaries										
03.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	135,189	135,189
3.10	TOTAL (Lines 3.7 to 3.9)	663,452	68,861	80,565	98,342	22,992	934,211			11,442,247	12,376,458
3.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										

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

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (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									
04.1	Salaries (including \$.....0 for affiliated services)									
04.2	Outsourced services									
04.3	EDP equipment and software (including \$.....0 for affiliated services)									
04.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
04.5	Accreditation and certification (including \$.....0 for affiliated services)		X X X	X X X	X X X	X X X				
04.6	Other expenses (including \$.....0 for affiliated services)									
04.7	Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)									
04.8	Reimbursements by uninsured plans and fiscal intermediaries									
04.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
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									
05.1	Salaries (including \$.....0 for affiliated services)									
05.2	Outsourced services									
05.3	EDP Equipment and Software (including \$.....0 for affiliated services)									
05.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
05.5	Accreditation and certification (including \$.....0 for affiliated services)		X X X	X X X	X X X	X X X				
05.6	Other expenses (including \$.....0 for affiliated services)									
05.7	Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)									
05.8	Reimbursements by uninsured plans and fiscal intermediaries									
05.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
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									
06.1	Salaries (including \$.....0 for affiliated services)									
06.2	Outsourced services									
06.3	EDP equipment and software (including \$.....0 for affiliated services)									
06.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
06.5	Accreditation and certification (including \$.....0 for affiliated services)		X X X	X X X	X X X	X X X				
06.6	Other expenses (including \$.....0 for affiliated services)									
06.7	Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)									
06.8	Reimbursements by uninsured plans and fiscal intermediaries									
06.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
6.10	TOTAL (Lines 6.7 to 6.9)									
6.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

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

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (Cols. 6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
7.	Small Group Expatriate Plans Expenses									
07.1	Salaries (including \$.....0 for affiliated services)									
07.2	Outsourced services									
07.3	EDP equipment and software (including \$.....0 for affiliated services)									
07.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
07.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
07.6	Other expenses (including \$.....0 for affiliated services)									
07.7	Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)									
07.8	Reimbursements by uninsured plans and fiscal intermediaries									
07.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7.10	TOTAL (Lines 7.7 to 7.9)									
7.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
8.	Large Group Expatriate Plans Expenses									
08.1	Salaries (including \$.....0 for affiliated services)									
08.2	Outsourced services									
08.3	EDP equipment and software (including \$.....0 for affiliated services)									
08.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
08.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
08.6	Other expenses (including \$.....0 for affiliated services)									
08.7	Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)									
08.8	Reimbursements by uninsured plans and fiscal intermediaries									
08.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
8.10	TOTAL (Lines 8.7 to 8.9)									
8.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
9.	Student Health Plans Expenses									
09.1	Salaries (including \$.....0 for affiliated services)									
09.2	Outsourced services									
09.3	EDP equipment and software (including \$.....0 for affiliated services)									
09.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
09.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
09.6	Other expenses (including \$.....0 for affiliated services)									
09.7	Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)									
09.8	Reimbursements by uninsured plans and fiscal intermediaries									
09.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
9.10	TOTAL (Lines 9.7 to 9.9)									
9.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

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**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1**

(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at [http://www.naic.org/committees\\_e\\_app\\_blanks.htm](http://www.naic.org/committees_e_app_blanks.htm))

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 2015

NAIC Company Code 60030

Supp59 Grand Total

	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							
1. Premium:															
01.1 Health premiums earned (From Part 2, Line 1.11)	39,022,964	84,015,966	182,092,319										305,131,249	X X X	305,131,249
01.2 Federal high risk pools														X X X	
01.3 State high risk pools														X X X	
01.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)	39,022,964	84,015,966	182,092,319										305,131,249	X X X	305,131,249
01.5 Federal taxes and federal assessments	689,200	1,419,335	3,076,201										5,184,736		5,184,736
01.6 State insurance, premium and other taxes (Similar local taxes of \$.....0)	411,561	847,568	1,836,979										3,096,108		3,096,108
01.6A Community Benefit Expenditures (informational only)															
01.7 Regulatory authority licenses and fees	23,396	48,182	104,428										176,006		176,006
01.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)	37,898,806	81,700,881	177,074,711										296,674,399	X X X	296,674,399
01.9 Net assumed less ceded reinsurance premiums earned	(184,408)	(308,942)	(669,588)										(1,162,937)	X X X	(1,162,937)
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)	37,714,399	81,391,939	176,405,124										295,511,462	X X X	295,511,462
2. Claims:															
2.1 Incurred claims excluding prescription drugs	32,092,788	51,821,671	117,662,498										201,576,957	X X X	201,576,957
2.2 Prescription drugs	10,698,392	20,593,750	40,855,274										72,147,415	X X X	72,147,415
2.3 Pharmaceutical rebates	261,752	503,856	999,584										1,765,192	X X X	1,765,192
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)	42,529,428	71,911,565	157,518,187										271,959,180	X X X	271,959,180
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	
5.4 Estimated rebates unpaid prior year														X X X	
5.5 Estimated rebates unpaid current year														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)	42,529,428	71,911,565	157,518,187										271,959,180	X X X	271,959,180
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes	179,492	311,284	663,452										1,154,227		1,154,227
6.2 Activities to prevent hospital readmissions	18,630	32,309	68,861										119,799		119,799
6.3 Improve patient safety and reduce medical errors	21,796	37,800	80,565										140,161		140,161
6.4 Wellness and health promotion activities	26,606	46,141	98,342										171,088		171,088
6.5 Health Information Technology expenses related to health improvement	6,220	10,788	22,992										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)	252,744	438,321	934,211										1,625,276		1,625,276
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6 - Footnote 2.0) / Line 1.8	1.129	0.886	0.895										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	559,705	970,668	2,068,823										3,599,196		3,599,196
10.2 Agents and brokers fees and commissions	1,802,402	3,711,858	8,044,910										13,559,170		13,559,170
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)	30,288	62,375	135,189										227,852		227,852
10.4 Other general and administrative expenses	2,499,339	4,334,473	9,238,235										16,072,047		16,072,047
10.4A Community Benefit Expenditures (informational only)															
10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)	4,891,735	9,079,374	19,487,156										33,458,265		33,458,265
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	(9,959,508)	(37,321)	(1,534,431)										(11,531,260)	X X X	(11,531,260)
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	(11,531,260)	X X X	(11,531,260)
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	16,958	19,259	37,135										73,352		73,352
O2. Number of Covered Lives	24,147	40,583	87,073										151,803		151,803
O3. Number of Groups	X X X	1,700	101	X X X									1,801		1,801
O4. Member Months	286,837	491,174	1,046,859										1,824,870		1,824,870

(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

Supp60 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

NAIC Group Code 1301

**BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2015**

NAIC Company Code 60030

Supp61 Grand Total

		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													
01.1	Direct premiums written	39,136,256	84,107,928	182,291,634									305,535,818	
01.2	Unearned premium prior year	1,018,794											1,018,794	
01.3	Unearned premium current year	1,132,087	91,962	199,315									1,423,364	
01.4	Change in unearned premium (Lines 1.2 - 1.3)	(113,293)	(91,962)	(199,315)									(404,570)	
01.5	Paid rate credits													
01.6	Reserve for rate credits current year													
01.7	Reserve for rate credits prior year													
01.8	Change in reserve for rate credits (Lines 1.6 - 1.7)													
01.9	Premium balances written off													
1.10	Group conversion charges													
1.11	TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)	39,022,964	84,015,966	182,092,319									305,131,249	
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	184,408	308,942	669,588									1,162,937	
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)	38,838,556	83,707,024	181,422,731									303,968,312	
2.	Direct Claims Incurred:													
02.1	Paid claims during the year	41,261,211	66,328,442	150,600,509									258,190,162	
02.2	Direct claim liability current year	6,909,901	9,039,004	20,523,300									36,472,205	
02.3	Direct claim liability prior year	2,096,094	6,143,652	14,463,440									22,703,186	
02.4	Direct claim reserves current year													
02.5	Direct claim reserves prior year													
02.6	Direct contract reserves current year													
02.7	Direct contract reserves prior year													
02.8	Paid rate credits													
02.9	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)	63,073	(24,066)	(27,052)									11,956	
2.12A	Healthcare receivables current year	89,826	145,046	329,332									564,204	
2.12B	Healthcare receivables prior year	26,753	169,112	356,384									552,249	
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)	46,011,945	69,247,859	156,687,422									271,947,225	
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)	46,011,945	69,247,859	156,687,422									271,947,225	
3.	Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)													

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

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3**

(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 2015

NAIC Group Code 1301

NAIC Company Code 60030

Supp62 Grand Total

	All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claims Adjustment Expenses		
1.	Individual Comprehensive Coverage Expenses:										
01.1	Salaries (including \$.....0 for affiliated services)									559,705	559,705
01.2	Outsourced services										
01.3	EDP Equipment and Software (incl \$.....0 for affiliated services)					6,220	6,220				6,220
01.4	Other Equipment (excluding EDP) (incl \$.....0 for affiliated services)										
01.5	Accreditation and Certification (incl \$.....0 for affiliated services)		X X X	X X X	X X X	X X X					
01.6	Other Expenses (incl \$.....0 for affiliated services)	179,492	18,630	21,796	26,606		246,524			2,499,339	2,745,863
01.7	Subtotal before reimbursements and taxes (Lines 1.1 to 1.6)	179,492	18,630	21,796	26,606	6,220	252,744			3,059,044	3,311,788
01.8	Reimbursements by uninsured plans and fiscal intermediaries									30,288	30,288
01.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
1.10	TOTAL (Lines 1.7 to 1.9)	179,492	18,630	21,796	26,606	6,220	252,744			3,089,332	3,342,076
1.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
2.	Small Group Comprehensive Coverage Expenses:										
02.1	Salaries (including \$.....0 for affiliated services)									970,668	970,668
02.2	Outsourced services										
02.3	EDP Equipment and Software (incl \$.....0 for affiliated services)					10,788	10,788				10,788
02.4	Other Equipment (excluding EDP) (incl \$.....0 for affiliated services)										
02.5	Accreditation and Certification (incl \$.....0 for affiliated services)		X X X	X X X	X X X	X X X					
02.6	Other Expenses (incl \$.....0 for affiliated services)	311,284	32,309	37,800	46,141		427,533			4,334,473	4,762,007
02.7	Subtotal before reimbursements and taxes (Lines 2.1 to 2.6)	311,284	32,309	37,800	46,141	10,788	438,321			5,305,141	5,743,463
02.8	Reimbursements by uninsured plans and fiscal intermediaries										
02.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	62,375	62,375
2.10	TOTAL (Lines 2.7 to 2.9)	311,284	32,309	37,800	46,141	10,788	438,321			5,367,516	5,805,838
2.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
3.	Large Group Comprehensive Coverage Expenses:										
03.1	Salaries (including \$.....0 for affiliated services)									2,068,823	2,068,823
03.2	Outsourced services										
03.3	EDP Equipment and Software (incl \$.....0 for affiliated services)					22,992	22,992				22,992
03.4	Other Equipment (excluding EDP) (incl \$.....0 for affiliated services)										
03.5	Accreditation and Certification (incl \$.....0 for affiliated services)		X X X	X X X	X X X	X X X					
03.6	Other Expenses (incl \$.....0 for affiliated services)	663,452	68,861	80,565	98,342		911,219			9,238,235	10,149,454
03.7	Subtotal before reimbursements and taxes (Lines 3.1 to 3.6)	663,452	68,861	80,565	98,342	22,992	934,211			11,307,058	12,241,269
03.8	Reimbursements by uninsured plans and fiscal intermediaries										
03.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	135,189	135,189
3.10	TOTAL (Lines 3.7 to 3.9)	663,452	68,861	80,565	98,342	22,992	934,211			11,442,247	12,376,458
3.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										

**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									
04.1	Salaries (including \$.....0 for affiliated services)									
04.2	Outsourced services									
04.3	EDP equipment and software (including \$.....0 for affiliated services)									
04.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
04.5	Accreditation and certification (including \$.....0 for affiliated services)		X X X	X X X	X X X	X X X				
04.6	Other expenses (including \$.....0 for affiliated services)									
04.7	Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)									
04.8	Reimbursements by uninsured plans and fiscal intermediaries									
04.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
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									
05.1	Salaries (including \$.....0 for affiliated services)									
05.2	Outsourced services									
05.3	EDP Equipment and Software (including \$.....0 for affiliated services)									
05.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
05.5	Accreditation and certification (including \$.....0 for affiliated services)		X X X	X X X	X X X	X X X				
05.6	Other expenses (including \$.....0 for affiliated services)									
05.7	Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)									
05.8	Reimbursements by uninsured plans and fiscal intermediaries									
05.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
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									
06.1	Salaries (including \$.....0 for affiliated services)									
06.2	Outsourced services									
06.3	EDP equipment and software (including \$.....0 for affiliated services)									
06.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
06.5	Accreditation and certification (including \$.....0 for affiliated services)		X X X	X X X	X X X	X X X				
06.6	Other expenses (including \$.....0 for affiliated services)									
06.7	Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)									
06.8	Reimbursements by uninsured plans and fiscal intermediaries									
06.9	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
6.10	TOTAL (Lines 6.7 to 6.9)									
6.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

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

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (Cols. 6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
7.	Small Group Expatriate Plans Expenses									
07.1	Salaries (including \$.....0 for affiliated services)									
07.2	Outsourced services									
07.3	EDP equipment and software (including \$.....0 for affiliated services)									
07.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
07.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
07.6	Other expenses (including \$.....0 for affiliated services)									
07.7	Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)									
07.8	Reimbursements by uninsured plans and fiscal intermediaries									
07.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7.10	TOTAL (Lines 7.7 to 7.9)									
7.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
8.	Large Group Expatriate Plans Expenses									
08.1	Salaries (including \$.....0 for affiliated services)									
08.2	Outsourced services									
08.3	EDP equipment and software (including \$.....0 for affiliated services)									
08.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
08.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
08.6	Other expenses (including \$.....0 for affiliated services)									
08.7	Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)									
08.8	Reimbursements by uninsured plans and fiscal intermediaries									
08.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
8.10	TOTAL (Lines 8.7 to 8.9)									
8.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
9.	Student Health Plans Expenses									
09.1	Salaries (including \$.....0 for affiliated services)									
09.2	Outsourced services									
09.3	EDP equipment and software (including \$.....0 for affiliated services)									
09.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
09.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
09.6	Other expenses (including \$.....0 for affiliated services)									
09.7	Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)									
09.8	Reimbursements by uninsured plans and fiscal intermediaries									
09.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
9.10	TOTAL (Lines 9.7 to 9.9)									
9.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp64 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



# SUPPLEMENTAL XXX / AXXX REINSURANCE EXHIBIT

For the Year Ended December 31, 2015

(To Be Filed by April 1)

OF THE MCS Life Insurance Company

NAIC Group Code: 1301

NAIC Company Code: 60030

## PART 1 - ALL XXX AND AXXX CESSIONS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Name of Company	Licensed Reinsurer (Yes/No)	Accredited Reinsurer (Yes/No)	Certified Reinsurer (Yes/No)	Reinsurer Domiciled in another Jurisdiction (Yes/No)	Reinsurer Maintaining Trust Fund (Yes/No)	Reinsurance Required by Law (Yes/No)	Special Exemption by Domestic Regulator (Yes/No)	Affiliate (Yes/No)	Effective Date	Statutory Reserve Credit Taken (Column 14+15)	XXX Statutory Policy Reserve Credit Taken	AXXX Statutory Policy Reserve Credit Taken
9999999 Total .....														

**SUPPLEMENTAL XXX / AXXX REINSURANCE EXHIBIT (continued)**  
**PART 2A - TRANSACTIONS SUBJECT TO PART 2 DISCLOSURE (GRANDFATHERED OR SPECIAL EXEMPTION)**

1	2	3	4	5	As of Effective Date or Prior Year's Annual Statement						As of Current Year's Annual Statement					
					6	7	8	9	10	11	12	13	14	15	16	17
Cession ID	NAIC Company Code	ID Number	Name of Company	Effective Date or Prior Year Annual Statement Date	Statutory Reserve Credit Taken	"Economic Reserve" Level	Primary Security	Primary Security - Trust	Primary Security - Funds Withheld or Modified - Coinsurance	Other Security	Statutory Reserve Credit Taken	"Economic Reserve" Level	Primary Security	Primary Security - Trust	Primary Security - Funds Withheld or Modified - Coinsurance	Other Security
9999999 Total .....																

**SUPPLEMENTAL XXX / AXXX REINSURANCE EXHIBIT (continued)**  
**PART 2B - TRANSACTIONS SUBJECT TO PART 2 DISCLOSURE (NON-GRANDFATHERED)**

1	2	3	4	5	As of Effective Date or Prior Year's Annual Statement						As of Current Year's Annual Statement						
					6	7	8	9	10	11	12	13	14	15	16	17	18
Cession ID	NAIC Company Code	ID Number	Name of Company	Effective Date or Prior Year Annual Statement Date	Statutory Reserve Credit Taken	Required Level of Primary Security	Primary Security	Primary Security - Trust	Primary Security - Funds Withheld or Modified - Coinsurance	Other Security	Statutory Reserve Credit Taken	Required Level of Primary Security	Primary Security	Primary Security Adjustment	Primary Security - Trust	Primary Security - Funds Withheld or Modified - Coinsurance	Other Security
9999999 Total .....					.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

# SUPPLEMENTAL XXX / AXXX REINSURANCE EXHIBIT (continued)

## PART 5 - SUPPLEMENTAL XXX / AXXX REINSURANCE EXHIBIT INTERROGATORIES

### PART 3 - INTERROGATORIES

- 1.1 Is any collateral identified in Part 3 of the Supplemental XXX/AXXX 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 XXX/AXXX 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 XXX/AXXX 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 XXX/AXXX 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 XXX/AXXX 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 XXX/AXXX 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:



## 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**



60030201535000100

2015

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 Medical Card System, Inc. (MCS). 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>2015</u>	<u>2014</u>
Bonds	\$ 6,226	\$ 12,243
Common and preferred stocks	501	579
Cash and short-term investments	43,217	27,386
Cash and invested assets	<u>49,943</u>	<u>40,207</u>
Premiums due and unpaid	16,167	13,619
Amount receivable related to unisrued A&H plans	4,758	5,866
Healthcare receivables	564	552
Other assets	224	639
Total admitted assets	<u>71,657</u>	<u>60,884</u>
Policy and contracts claims	36,722	22,853
Liability for amounts held under uninsured A&H plans	4,336	5,266
Other liabilities	20,206	12,537
Total liabilities	<u>61,265</u>	<u>40,656</u>
Capital and Surplus	<u>10,392</u>	<u>20,228</u>
Total liabilities and capital and surplus	\$ 71,657	\$ 60,884
Cash & Invested assets to total admitted assets	69.70%	66.04%
Claims liab to capital & surplus	28.30%	88.51%
Claims to total admitted assets	51.25%	37.54%
Capital & surplus to total admitted assets	14.50%	33.22%

Cash and invested assets amounts to \$49.9 million, representing 70% 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, the government of Puerto Rico and certificate of deposits. The Company maintains a high level of liquidity to respond for policy and contracts claims.

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, 2015, there was \$4.8 million in receivables to cover claim costs and administrative fees.

Healthcare receivables are composed of Rx rebates receivables of \$.5million.

Policy and contracts claims payable amounts to \$36.7 million a 51% of total admitted assets.

The liability for uninsured plans amounted to \$4.8 million and represents amounts deposited by the plans to cover claim payments, claim and other miscellaneous liabilities.

Capital and surplus amounts to \$10.4 million, which represents 15% of total admitted assets. Decrease in capital and surplus has been mainly due to the net loss of the year of \$10.7 million.

### Results of Operations

In 2015 the Company ended in a net loss of approximately \$10.7 million.

Other discussion follows:

## Management's Discussion and Analysis

(In thousands)

	<u>2015</u>	<u>2014</u>
Premiums	\$ 306,392	\$ 277,534
Net Investment Income	682	653
Total revenues	<u>307,074</u>	<u>278,187</u>
Policy benefits	273,150	228,959
Commissions	13,583	10,392
Expenses	<u>30,230</u>	<u>40,316</u>
Total	316,963	279,667
Income before income taxes and capital gains	(9,889)	(1,481)
Capital gains/(loss)	(853)	(196)
Income taxes	(1)	0
Net income / (loss)	<u>(10,744)</u>	<u>(1,677)</u>
MLR	89.15%	82.50%
Commission rate	4.43%	3.74%
Expense rate	9.87%	14.53%

Net loss for the year of \$10.7 has been mainly due to losses incurred in the individual products, the loss incurred in the individual product amounted to \$12.9 million.

Policy benefits amounted to \$273.2 million in 2015 and \$229.0 in 2014 for a claims cost ratio of 89.1% in 2015 and 82.5% in 2014. Deterioration in the medical loss ratio has been due to the operations of the individual products.

Commissions in 2015 amounted to \$13.6 million, for a 4.4% of net premiums. Administration and other expenses in 2015 amounted to \$30.2 million, representing 9.87% of premiums. Expenses include the provider insurance tax of \$5.2 million.

As mentioned above, the Company maintains cost reimbursement contracts. Administration expenses were reduced by \$4.7 million in 2015 and \$3.7 million in 2014 for administration fees charged to these plans in accordance with the accounting practices for statutory reporting.

Investment income amounts, to \$.7 million. Capital losses are mainly due to impairment charges of \$.9 million related to investment in Puerto Rico fixed income securities.

### Cash Flow and Liquidity

The Company cash flows are summarized as follows:

	<u>2015</u>	<u>2014</u>
Cash provided from operating activities	\$ 10,429	\$ (5,188)
Cash from investing activities	5,403	7,246
Cash from financing activities	-	-
Net change in cash	<u>15,831</u>	<u>2,057</u>

# Management's Discussion and Analysis



# 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 - 2015

Financial Ratio Results		Unusual Values Equal to or		Amount
		Over	Under	
Ratio				
1.	Net Change in Capital and Surplus .....	50	-10	(49)
2.	Gross Change in Capital and Surplus .....	50	-10	(49)
3.	Net Income to Total Income (Including Realized Capital Gains and Losses) .....	X X X	0	(4)
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	10
10.	Change in Product Mix .....	5.0	X X X	0.747
11.	Change in Asset Mix .....	5.0	X X X	2.303
12.	Change in Reserving .....	20	-20	0

## LIFE IRIS RATIOS - 2015

		Amount
Ratio 1	Net Change in Capital and Surplus	
	A. Capital & Surplus Current Year - Page 3, Column 1, Line 38 .....	10,392,238
	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 .....	20,227,836
	Result = $100 \times (A - B - C - D - E) / E$ .....	(49)%
	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 .....	10,392,238
	B. Capital & Surplus Prior Year - Prior Year: Page 3, Column 1, Line 38 .....	20,227,836
	Result = $100 \times (A - B) / B$ .....	(49)%
	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 .....	(10,743,804)
	B. TOTAL Income - Page 4, Column 1, Line 9 .....	307,073,663
	C. Realized Capital Gains/Losses - Page 4, Column 1, Line 34 .....	(853,271)
	Result = $100 \times A / (B + C)$ .....	(4)%
	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 .....	681,966
	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 .....	46,302
	B. Admitted Assets - Page 2, Column 3, Line 28 .....	71,656,818
	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 .....	49,943,835
	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 .....	10,392,238
	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 .....	10,392,238
	Result = $100 \times (A - B + C) / D$ .....	0%
	If D is zero or negative, result is 999	

## LIFE IRIS RATIOS - 2015

	Amount
Ratio 9 Change in Premium	
A. Premiums & Annuity Considerations - Page 49, Column 2, 3, 4, 5, 7, Line 99 .....	306,391,697
B. Premiums & Annuity Considerations - Prior Year: Page 49, Column 2, 3, 4, 5, 7, Line 99 .....	277,533,840
Result = 100 x (A - B) / B .....	10%
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 .....	2,423,387	1	2,468,431	1	0
F. Group Annuities, Column 8 .....	0	0	0	0	0
G. Group A&H, Column 9 .....	265,129,754	87	249,211,965	90	(3)
H. Credit A&H, Column 10 .....	0	0	0	0	0
I. Other A&H, Column 11 .....	38,838,556	13	25,853,444	9	3
J. TOTAL .....	306,391,696		277,533,840		
K. TOTAL of Ratio Column 5 Disregarding Sign .....					7
Result = K / 9 .....					0.747%
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 .....	6,225,821	12	12,243,159	30	(18)
B. Preferred Stocks, Line 2.1 .....	285,486	1	335,778	1	0
C. Common Stocks, Line 2.2 .....	215,052	0	242,774	1	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 .....	43,217,476	87	27,385,534	68	18
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 .....	49,943,835		40,207,245		
R. TOTAL of Ratio Column 5 Disregarding Sign .....					37
Result = R / 16 .....					2.303%
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.		

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

Name of Insurer

**MCS Life Insurance Company**

Date \_\_\_\_\_  
NAIC Group # 1301

FEIN 66-0520918  
NAIC Company # 60030

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

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

(If "yes" attach an explanation.)

B. Additional comments if necessary for clarification:

C. Diskette Contact Person: Javier Perez  
Phone: (787)758-2500  
Address: PO BOX 193310, SAN JUAN, PR 00919-3310

D. Software Vendor: SunGard iWORKS - Statutory  
Version: 2015.A.1

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

F. The undersigned hereby certifies that, according to the best of his/her knowledge and belief: that the diskettes submitted with this form were prepared in compliance with the NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that annual statement information required to be contained on diskette is identical to the information in the 2015 Annual Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes have been scanned through a virus detection software package, and no viruses are present on the diskettes. The virus detection software used was (name):

(version number):

(Signed) \_\_\_\_\_

Type Name and Title: Javier Perez - Reporting Manager

## Amended Explanation Page

## MERGER HISTORY

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1. Bonds (2014: Page 2, Column 3, Line 1) .....	
2. Preferred stocks (2014: Page 2, Column 3, Line 2.1) .....	
3. Common stocks (2014: Page 2, Column 3, Line 2.2) .....	
4. Mortgage loans on real estate - first liens (2014: Page 2, Column 3, Line 3.1) .....	
5. Mortgage loans on real estate - other than first liens (2014: Page 2, Column 3, Line 3.2) .....	
6. Real estate - properties occupied by the company (2014: Page 2, Column 3, Line 4.1) .....	
7. Real estate - properties held for the production of income (2014: Page 2, Column 3, Line 4.2) .....	
8. Real estate - properties held for sale (2014: Page 2, Column 3, Line 4.3) .....	
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10. Contract loans (2014: Page 2, Column 3, Line 6) .....	
11. Premium notes (2014: Page 2, Column 3, Line 6, Inside Amount 1) .....	
12. Derivatives (2014: Page 2, Column 3, Line 7) .....	
13. Other invested assets (2014: Page 2, Column 3, Line 8) .....	
14. Receivable for securities (2014: Page 2, Column 3, Line 9) .....	
15. Securities lending reinvested collateral assets (2014: Page 2, Column 3, Line 10) .....	
16. Aggregate write-ins for invested assets (2014: Page 2, Column 3, Line 11) .....	
17. Payable for securities (2014: Page 3, Column 1, Line 24.9) .....	
18. Capital & surplus (2014: Page 3, Column 1, Line 38) .....	
19. Premiums and annuity considerations - industrial life (2014: Page 6, Column 2, Line 1) .....	
20. Increase in aggregate reserves - industrial life (2014: Page 6, Column 2, Line 19) .....	
21. Premiums and annuity considerations - ordinary life (2014: Page 6, Column 3, Line 1) .....	
22. Increase in aggregate reserves - ordinary life (2014: Page 6, Column 3, Line 19) .....	
23. Premiums and annuity considerations - individual annuities (2014: Page 6, Column 4, Line 1) .....	
24. Premiums and annuity considerations - credit life (2014: Page 6, Column 6, Line 1) .....	
25. Premiums and annuity considerations - group life (2014: Page 6, Column 7, Line 1) .....	
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27. Premiums and annuity considerations - group accident & health (2014: Page 6, Column 9, Line 1) .....	
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29. Premiums and annuity considerations - other accident & health (2014: Page 6, Column 11, Line 1) .....	
30. Net single premiums - industrial life (2014: Page 9, Column 2, Line 10.4) .....	
31. Net renewal premiums - industrial life (2014: Page 9, Column 2, Line 19.4) .....	
32. Net single premiums - ordinary life (2014: Page 9, Column 3, Line 10.4) .....	
33. Net renewal premiums - ordinary life (2014: Page 9, Column 3, Line 19.4) .....	
34. Premiums and annuity considerations - total (2014: Page 49, Columns 2, 3, 4, 5, and 7, Line 99) .....	