# ANNUAL STATEMENT

## OF THE

# PMC Medicare Choice,LLC.

Of

## San Juan

## in the state of PR

## to the Insurance Department

## of the state of

For the Year Ended

December 31, 2016

# 2016

HEALTH

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# ANNUAL STATEMENT

**For the Year Ended December 31, 2016**
of the Condition and Affairs of the

# PMC Medicare Choice,LLC.

NAIC Group Code.....4812, 4812 (Current Period) (Prior Period) NAIC Company Code..... 12178 Employer's ID Number..... 660592131

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

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

Incorporated/Organized..... January 10, 2001 Commenced Business..... August 1, 2004

| | | |
|---|---|---|
| Statutory Home Office | 350 Chardón Avenue..... San Juan ..... PR ..... .... 00917<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | |
| Main Administrative Office | 350 Chardón Avenue..... San Juan ..... PR ..... .... 00917<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | 787-622-3000<br>*(Area Code) (Telephone Number)* |
| Mail Address | P.O. Box 369292..... San Juan ..... PR ..... .... 00936-6292<br>*(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)* | |
| Primary Location of Books and Records | 350 Chardón Avenue..... San Juan ..... PR ..... .... 00917<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | 787-622-3000<br>*(Area Code) (Telephone Number)* |
| Internet Web Site Address | N/A | |
| Statutory Statement Contact | Santiago Malave<br>*(Name)* | 787-622-3000<br>*(Area Code) (Telephone Number) (Extension)* |
| | santiago.malave@mmmhc.com<br>*(E-Mail Address)* | *(Fax Number)* |

## OFFICERS

| Name | Title | Name | Title |
|---|---|---|---|
| 1. Orlando Gonzalez | President | 2. Carlos Vivaldi | CFO |
| 3. | | 4. | |

## OTHER

| | | | |
|---|---|---|---|
| Richard Shinto | CEO | Paul Klausner | Secretary |
| | | Vivian Arthur | Vicepresident |
| | | Manuel Sanchez | COO |
| Vilmarie Garcia | Vicepresident | Juan Arill | Vicepresident |
| Ivelisse Fernandez | Chief Administrative Officer | Myra Plumey | Compliance Officer |
| Carlos Vivaldi | CFO | Diego Rosso | CMO |
| Douglas Malton | Vicepresident | Christopher Joyce | Vicepresident |
| Michael Sortino | CAO | Eyminel Viel | Assistant Secretary |

## DIRECTORS OR TRUSTEES

| | | | |
|---|---|---|---|
| Richard Shinto | Orlando Gonzalez | Douglas Malton | Carlos Vivaldi |
| Christopher Joyce | | | |

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

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

| | | |
|---|---|---|
| (Signature) | (Signature) | (Signature) |
| Orlando Gonzalez | Carlos Vivaldi | |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| President | CFO | |
| (Title) | (Title) | (Title) |

Affidavit Num: 2609

Subscribed and sworn to before me
This 29 day of March, 2017 NEXTYEAR

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

EYMINEL VIEL SANTIAGO
ABOGADA - NOTARIO

17-A2080953

Sello

9397
10/24/2016
$5.00
Sello de Asistencia Legal
00279-2016-1024-51963219

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# ASSETS

| | Current Year 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | Prior Year 4 Net Admitted Assets |
|---|---|---|---|---|
| 1. Bonds (Schedule D) | 33,054,642 | | 33,054,642 | 47,816,166 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | | | 0 | |
| 2.2 Common stocks | | | 0 | 4,227 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | 0 | |
| 3.2 Other than first liens | | | 0 | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less $.....0 encumbrances) | | | 0 | |
| 4.2 Properties held for the production of income (less $.....0 encumbrances) | | | 0 | |
| 4.3 Properties held for sale (less $.....0 encumbrances) | | | 0 | |
| 5. Cash ($.....9,926,920, Schedule E-Part 1), cash equivalents ($.....0, Schedule E-Part 2) and short-term investments ($.....44,612,583, Schedule DA) | 54,539,503 | | 54,539,503 | 55,872,810 |
| 6. Contract loans (including $.....0 premium notes) | | | 0 | |
| 7. Derivatives (Schedule DB) | | | 0 | |
| 8. Other invested assets (Schedule BA) | | | 0 | |
| 9. Receivables for securities | | | 0 | |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | 0 | |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 87,594,145 | 0 | 87,594,145 | 103,693,203 |
| 13. Title plants less $.....0 charged off (for Title insurers only) | | | 0 | |
| 14. Investment income due and accrued | 102,961 | | 102,961 | 426,692 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 2,663,548 | | 2,663,548 | 2,869,452 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums) | | | 0 | |
| 15.3 Accrued retrospective premiums ($.....0) and contracts subject to redetermination ($.....0) | | | 0 | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 | |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 | |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 | |
| 17. Amounts receivable relating to uninsured plans | | | 0 | 4,621,350 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 1,539,526 | | 1,539,526 | 67,428 |
| 18.2 Net deferred tax asset | | | 0 | 3,342,655 |
| 19. Guaranty funds receivable or on deposit | | | 0 | |
| 20. Electronic data processing equipment and software | | | 0 | |
| 21. Furniture and equipment, including health care delivery assets ($.....0) | | | 0 | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates | | | 0 | 12,827,906 |
| 24. Health care ($.....0) and other amounts receivable | | | 0 | 2,183,853 |
| 25. Aggregate write-ins for other-than-invested assets | 1,326,041 | 942,312 | 383,729 | 9,995,849 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 93,226,221 | 942,312 | 92,283,909 | 140,028,388 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | |
| 28. TOTAL (Lines 26 and 27) | 93,226,221 | 942,312 | 92,283,909 | 140,028,388 |

**DETAILS OF WRITE-INS**

| | | | | |
|---|---|---|---|---|
| 1101. Statutory Deposit with The Insurance Commissioner | | | 0 | |
| 1102. | | | 0 | |
| 1103. | | | 0 | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. Plan to Plan Receivable | | | 0 | |
| 2502. Other Receivable | | | 0 | 1,351,701 |
| 2503. Prepaid Expenses | | | 0 | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 1,326,041 | 942,312 | 383,729 | 8,644,148 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 1,326,041 | 942,312 | 383,729 | 9,995,849 |

# LIABILITIES, CAPITAL AND SURPLUS

| | Current Period 1 Covered | 2 Uncovered | 3 Total | Prior Year 4 Total |
|---|---|---|---|---|
| 1. Claims unpaid (less $.....0 reinsurance ceded) | 33,795,969 | | 33,795,969 | 71,270,592 |
| 2. Accrued medical incentive pool and bonus amounts | 14,110,993 | | 14,110,993 | 19,225,887 |
| 3. Unpaid claims adjustment expenses | 277,560 | | 277,560 | 632,596 |
| 4. Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act | | | 0 | 625,000 |
| 5. Aggregate life policy reserves | | | 0 | |
| 6. Property/casualty unearned premium reserves | | | 0 | |
| 7. Aggregate health claim reserves | | | 0 | |
| 8. Premiums received in advance | | | 0 | |
| 9. General expenses due or accrued | 1,211,100 | | 1,211,100 | 1,284,706 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses)) | | | 0 | |
| 10.2 Net deferred tax liability | | | 0 | |
| 11. Ceded reinsurance premiums payable | | | 0 | |
| 12. Amounts withheld or retained for the account of others | 395,374 | | 395,374 | 602,576 |
| 13. Remittances and items not allocated | | | 0 | |
| 14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current) | | | 0 | |
| 15. Amounts due to parent, subsidiaries and affiliates | 7,297,585 | | 7,297,585 | 2,772,234 |
| 16. Derivatives | | | 0 | |
| 17. Payable for securities | | | 0 | |
| 18. Payable for securities lending | | | 0 | |
| 19. Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized reinsurers and $.....0 certified reinsurers) | | | 0 | |
| 20. Reinsurance in unauthorized and certified ($.....0) companies | | | 0 | |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | 0 | |
| 22. Liability for amounts held under uninsured plans | | | 0 | |
| 23. Aggregate write-ins for other liabilities (including $.....0 current) | 600,000 | 0 | 600,000 | 1,444,444 |
| 24. Total liabilities (Lines 1 to 23) | 57,688,581 | 0 | 57,688,581 | 97,858,035 |
| 25. Aggregate write-ins for special surplus funds | XXX | XXX | 0 | 0 |
| 26. Common capital stock | XXX | XXX | 8,970 | 8,970 |
| 27. Preferred capital stock | XXX | XXX | | |
| 28. Gross paid in and contributed surplus | XXX | XXX | 27,515,451 | 24,815,450 |
| 29. Surplus notes | XXX | XXX | | |
| 30. Aggregate write-ins for other-than-special surplus funds | XXX | XXX | 0 | 4,700,000 |
| 31. Unassigned funds (surplus) | XXX | XXX | 7,070,907 | 12,645,933 |
| 32. Less treasury stock at cost: | | | | |
| 32.1 .....0.000 shares common (value included in Line 26 $.....0) | XXX | XXX | | |
| 32.2 .....0.000 shares preferred (value included in Line 27 $.....0) | XXX | XXX | | |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) | XXX | XXX | 34,595,328 | 42,170,353 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 92,283,909 | 140,028,388 |

## DETAILS OF WRITE-INS

| | | | | |
|---|---|---|---|---|
| 2301. Statutory Deposit with The Insurance Commissioner & other | 600,000 | | 600,000 | 600,000 |
| 2302. RAF receivable | | | 0 | |
| 2303. Amount due to CMS | | | 0 | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 0 | 0 | 0 | 844,444 |
| 2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) | 600,000 | 0 | 600,000 | 1,444,444 |
| 2501. | XXX | XXX | | |
| 2502. | XXX | XXX | | |
| 2503. | XXX | XXX | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | XXX | XXX | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | XXX | XXX | 0 | 0 |
| 3001. Premium Tax | XXX | XXX | | 4,700,000 |
| 3002. | XXX | XXX | | |
| 3003. | XXX | XXX | | |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | XXX | XXX | 0 | 0 |
| 3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) | XXX | XXX | 0 | 4,700,000 |

# STATEMENT OF REVENUE AND EXPENSES

| | Current Year 1 Uncovered | Current Year 2 Total | Prior Year 3 Total |
|---|---|---|---|
| 1. Member months | XXX | 1,973,793 | 1,748,928 |
| 2. Net premium income (including $.....0 non-health premium income) | XXX | 456,425,544 | 522,821,386 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | | |
| 4. Fee-for-service (net of $.....0 medical expenses) | XXX | | |
| 5. Risk revenue | XXX | | |
| 6. Aggregate write-ins for other health care related revenues | XXX | 0 | 0 |
| 7. Aggregate write-ins for other non-health revenues | XXX | 0 | 0 |
| 8. Total revenues (Lines 2 to 7) | XXX | 456,425,544 | 522,821,386 |
| **Hospital and Medical:** | | | |
| 9. Hospital/medical benefits | | 243,094,690 | 256,326,115 |
| 10. Other professional services | | 40,782,894 | 85,457,443 |
| 11. Outside referrals | | | |
| 12. Emergency room and out-of-area | | 3,355,106 | 4,255,107 |
| 13. Prescription drugs | | 88,621,782 | 87,365,899 |
| 14. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 |
| 15. Incentive pool, withhold adjustments and bonus amounts | | 24,016,237 | 20,172,097 |
| 16. Subtotal (Lines 9 to 15) | 0 | 399,870,709 | 453,576,661 |
| **Less:** | | | |
| 17. Net reinsurance recoveries | | | |
| 18. Total hospital and medical (Lines 16 minus 17) | 0 | 399,870,709 | 453,576,661 |
| 19. Non-health claims (net) | | | |
| 20. Claims adjustment expenses, including $.....0 cost containment expenses | | | |
| 21. General administrative expenses | | 55,682,902 | 71,931,540 |
| 22. Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only) | | | |
| 23. Total underwriting deductions (Lines 18 through 22) | 0 | 455,553,611 | 525,508,201 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | 871,933 | (2,686,815) |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 687,232 | 792,564 |
| 26. Net realized capital gains or (losses) less capital gains tax of $.....0 | | | 28,853 |
| 27. Net investment gains or (losses) (Lines 25 plus 26) | 0 | 687,232 | 821,417 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)] | | | |
| 29. Aggregate write-ins for other income or expenses | 0 | 1,372,058 | 92,048 |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | XXX | 2,931,223 | (1,773,350) |
| 31. Federal and foreign income taxes incurred | XXX | 225,219 | |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | 2,706,004 | (1,773,350) |

**DETAILS OF WRITE-INS**

| | | | |
|---|---|---|---|
| 0601. | XXX | | |
| 0602. | XXX | | |
| 0603. | XXX | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | 0 | 0 |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | XXX | 0 | 0 |
| 0701. | XXX | | |
| 0702. | XXX | | |
| 0703. | XXX | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | 0 | 0 |
| 0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) | XXX | 0 | 0 |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) | 0 | 0 | 0 |
| 2901. Other income | | 1,372,058 | 92,048 |
| 2902. | | | |
| 2903. | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 | 0 |
| 2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) | 0 | 1,372,058 | 92,048 |

# STATEMENT OF REVENUE AND EXPENSES (Continued)

| CAPITAL AND SURPLUS ACCOUNT | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|
| 33. Capital and surplus prior reporting period | 42,170,354 | 31,604,745 |
| 34. Net income or (loss) from Line 32 | 2,706,004 | (1,773,350) |
| 35. Change in valuation basis of aggregate policy and claim reserves | | |
| 36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....0 | | |
| 37. Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. Change in net deferred income tax | (3,342,655) | 862,384 |
| 39. Change in nonadmitted assets | (1,046,495) | (350,426) |
| 40. Change in unauthorized and certified reinsurance | | |
| 41. Change in treasury stock | | |
| 42. Change in surplus notes | | |
| 43. Cumulative effect of changes in accounting principles | | |
| 44. Capital changes: | | |
| 44.1 Paid in | | 11,827,000 |
| 44.2 Transferred from surplus (Stock Dividend) | | |
| 44.3 Transferred to surplus | 2,700,000 | |
| 45. Surplus adjustments: | | |
| 45.1 Paid in | | |
| 45.2 Transferred to capital (Stock Dividend) | | |
| 45.3 Transferred from capital | | |
| 46. Dividends to stockholders | (9,594,000) | |
| 47. Aggregate write-ins for gains or (losses) in surplus | 1,002,120 | 0 |
| 48. Net change in capital and surplus (Lines 34 to 47) | (7,575,026) | 10,565,608 |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) | 34,595,328 | 42,170,354 |

DETAILS OF WRITE-INS

| | | |
|---|---|---|
| 4701. Other Surplus Adjustments | 1,002,120 | |
| 4702. | | |
| 4703. | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page | 0 | 0 |
| 4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above) | 1,002,120 | 0 |

# CASH FLOW

| | | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|---|
| | **CASH FROM OPERATIONS** | | |
| 1. | Premiums collected net of reinsurance | 456,189,752 | 510,138,668 |
| 2. | Net investment income | 1,413,629 | 892,575 |
| 3. | Miscellaneous income | | |
| 4. | Total (Lines 1 through 3) | 457,603,381 | 511,031,243 |
| 5. | Benefit and loss related payments | 384,933,055 | 387,318,907 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 59,937,833 | 71,903,036 |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses) | 1,697,392 | 0 |
| 10. | Total (Lines 5 through 9) | 446,568,280 | 459,221,943 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 11,035,101 | 51,809,300 |
| | **CASH FROM INVESTMENTS** | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| | 12.1 Bonds | 28,584,542 | 31,665,391 |
| | 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) | 28,584,542 | 31,665,391 |
| 13. | Cost of investments acquired (long-term only): | | |
| | 13.1 Bonds | 47,402,862 | 26,412,194 |
| | 13.2 Stocks | | |
| | 13.3 Mortgage loans | | |
| | 13.4 Real estate | | |
| | 13.5 Other invested assets | | 12,000,000 |
| | 13.6 Miscellaneous applications | | |
| | 13.7 Total investments acquired (Lines 13.1 to 13.6) | 47,402,862 | 38,412,194 |
| 14. | Net increase (decrease) in contract loans and premium notes | | |
| 15. | Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14) | (18,818,320) | (6,746,803) |
| | **CASH FROM FINANCING AND MISCELLANEOUS SOURCES** | | |
| 16. | Cash provided (applied): | | |
| | 16.1 Surplus notes, capital notes | | |
| | 16.2 Capital and paid in surplus, less treasury stock | | 2,400,000 |
| | 16.3 Borrowed funds | | |
| | 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | |
| | 16.5 Dividends to stockholders | 9,594,000 | |
| | 16.6 Other cash provided (applied) | 16,043,912 | (899,560) |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 6,449,912 | 1,500,440 |
| | **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (1,333,307) | 46,562,937 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| | 19.1 Beginning of year | 55,872,810 | 9,309,873 |
| | 19.2 End of year (Line 18 plus Line 19.1) | 54,539,503 | 55,872,810 |

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

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

# ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1<br>Total | 2<br>Comprehensive (Hospital and Medical) | 3<br>Medicare Supplement | 4<br>Dental Only | 5<br>Vision Only | 6<br>Federal Employees Health Benefits Plans | 7<br>Title XVIII Medicare | 8<br>Title XIX Medicaid | 9<br>Other Health | 10<br>Other Non-Health |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. Net premium income | 456,425,544 | | | | | | 152,093,384 | 304,332,160 | | |
| 2. Change in unearned premium reserves and reserve for rate credit | 0 | | | | | | | | | |
| 3. Fee-for-service (net of $.....0 medical expenses) | 0 | | | | | | | | | XXX |
| 4. Risk revenue | 0 | | | | | | | | | XXX |
| 5. Aggregate write-ins for other health care related revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 6. Aggregate write-ins for other non-health care related revenues | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 7. Total revenues (Lines 1 to 6) | 456,425,544 | 0 | 0 | 0 | 0 | 0 | 152,093,384 | 304,332,160 | 0 | 0 |
| 8. Hospital/medical benefits | 243,094,690 | | | | | | 48,874,213 | 194,220,477 | | XXX |
| 9. Other professional services | 40,782,894 | | | | | | 40,782,894 | | | XXX |
| 10. Outside referrals | 0 | | | | | | | | | XXX |
| 11. Emergency room and out-of-area | 3,355,106 | | | | | | 3,355,106 | | | XXX |
| 12. Prescription drugs | 88,621,782 | | | | | | 16,829,000 | 71,792,782 | | XXX |
| 13. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 14. Incentive pool, withhold adjustments and bonus amounts | 24,016,237 | | | | | | 13,497,000 | 10,519,237 | | XXX |
| 15. Subtotal (Lines 8 to 14) | 399,870,709 | 0 | 0 | 0 | 0 | 0 | 123,338,213 | 276,532,496 | 0 | XXX |
| 16. Net reinsurance recoveries | 0 | | | | | | | | | XXX |
| 17. Total hospital and medical (Lines 15 minus 16) | 399,870,709 | 0 | 0 | 0 | 0 | 0 | 123,338,213 | 276,532,496 | 0 | XXX |
| 18. Non-health claims (net) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 19. Claims adjustment expenses including $.....0 cost containment expenses | 0 | | | | | | | | | |
| 20. General administrative expenses | 55,682,902 | | | | | | 22,891,510 | 32,791,392 | | |
| 21. Increase in reserves for accident and health contracts | 0 | | | | | | | | | XXX |
| 22. Increase in reserve for life contracts | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 23. Total underwriting deductions (Lines 17 to 22) | 455,553,611 | 0 | 0 | 0 | 0 | 0 | 146,229,723 | 309,323,888 | 0 | 0 |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23) | 871,933 | 0 | 0 | 0 | 0 | 0 | 5,863,661 | (4,991,728) | 0 | 0 |

**DETAILS OF WRITE-INS**

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



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# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS

| Line of Business | 1<br>Direct Business | 2<br>Reinsurance Assumed | 3<br>Reinsurance Ceded | 4<br>Net Premium Income (Cols. 1 + 2 - 3) |
|---|---|---|---|---|
| 1. Comprehensive (hospital and medical) | | | | 0 |
| 2. Medicare supplement | | | | 0 |
| 3. Dental only | | | | 0 |
| 4. Vision only | | | | 0 |
| 5. Federal employees health benefits plan | | | | 0 |
| 6. Title XVIII - Medicare | 152,093,384 | | | 152,093,384 |
| 7. Title XIX - Medicaid | 304,332,160 | | | 304,332,160 |
| 8. Other health | | | | 0 |
| 9. Health subtotal (Lines 1 through 8) | 456,425,544 | 0 | 0 | 456,425,544 |
| 10. Life | | | | 0 |
| 11. Property/casualty | | | | 0 |
| 12. Totals (Lines 9 to 11) | 456,425,544 | 0 | 0 | 456,425,544 |



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# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - CLAIMS INCURRED DURING THE YEAR

| | 1<br>Total | 2<br>Comprehensive (Hospital and Medical) | 3<br>Medicare Supplement | 4<br>Dental Only | 5<br>Vision Only | 6<br>Federal Employees Health Benefits Plan | 7<br>Title XVIII Medicare | 8<br>Title XIX Medicaid | 9<br>Other Health | 10<br>Other Non-Health |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. Payments during the year: | | | | | | | | | | |
| 1.1 Direct | 413,329,094 | | | | | | 131,639,847 | 281,689,247 | | |
| 1.2 Reinsurance assumed | 0 | | | | | | | | | |
| 1.3 Reinsurance ceded | 0 | | | | | | | | | |
| 1.4 Net | 413,329,094 | 0 | 0 | 0 | 0 | 0 | 131,639,847 | 281,689,247 | 0 | 0 |
| 2. Paid medical incentive pools and bonuses | 29,131,131 | | | | | | 29,239,245 | (108,114) | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 33,795,969 | | | | | | | 33,795,969 | | |
| 3.2 Reinsurance assumed | 0 | | | | | | | | | |
| 3.3 Reinsurance ceded | 0 | | | | | | | | | |
| 3.4 Net | 33,795,969 | 0 | 0 | 0 | 0 | 0 | 0 | 33,795,969 | 0 | 0 |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | 0 | | | | | | | | | |
| 4.2 Reinsurance assumed | 0 | | | | | | | | | |
| 4.3 Reinsurance ceded | 0 | | | | | | | | | |
| 4.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Accrued medical incentive pools and bonuses, current year | 14,110,993 | | | | | | | 14,110,993 | | |
| 6. Net healthcare receivables (a) | 0 | | | | | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | 0 | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | 71,270,591 | | | | | | 21,798,634 | 49,471,957 | | |
| 8.2 Reinsurance assumed | 0 | | | | | | | | | |
| 8.3 Reinsurance ceded | 0 | | | | | | | | | |
| 8.4 Net | 71,270,591 | 0 | 0 | 0 | 0 | 0 | 21,798,634 | 49,471,957 | 0 | 0 |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | 0 | | | | | | | | | |
| 9.2 Reinsurance assumed | 0 | | | | | | | | | |
| 9.3 Reinsurance ceded | 0 | | | | | | | | | |
| 9.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Accrued medical incentive pools and bonuses, prior year | 19,225,887 | | | | | | 15,742,245 | 3,483,642 | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | 0 | | | | | | | | | |
| 12. Incurred benefits: | | | | | | | | | | |
| 12.1 Direct | 375,854,472 | 0 | 0 | 0 | 0 | 0 | 109,841,213 | 266,013,259 | 0 | 0 |
| 12.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12.4 Net | 375,854,472 | 0 | 0 | 0 | 0 | 0 | 109,841,213 | 266,013,259 | 0 | 0 |
| 13. Incurred medical incentive pools and bonuses | 24,016,237 | 0 | 0 | 0 | 0 | 0 | 13,497,000 | 10,519,237 | 0 | 0 |

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

# UNDERWRITING AND INVESTMENT EXHIBIT

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

| | 1<br>Total | 2<br>Comprehensive (Medical and Hospital) | 3<br>Medicare Supplement | 4<br>Dental Only | 5<br>Vision Only | 6<br>Federal Employees Health Benefits Plan | 7<br>Title XVIII Medicare | 8<br>Title XIX Medicaid | 9<br>Other Health | 10<br>Other Non-Health |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. Reported in process of adjustment: | | | | | | | | | | |
| 1.1 Direct | 0 | | | | | | | | | |
| 1.2 Reinsurance assumed | 0 | | | | | | | | | |
| 1.3 Reinsurance ceded | 0 | | | | | | | | | |
| 1.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Incurred but unreported: | | | | | | | | | | |
| 2.1 Direct | 33,795,969 | | | | | | | 33,795,969 | | |
| 2.2 Reinsurance assumed | 0 | | | | | | | | | |
| 2.3 Reinsurance ceded | 0 | | | | | | | | | |
| 2.4 Net | 33,795,969 | 0 | 0 | 0 | 0 | 0 | 0 | 33,795,969 | 0 | 0 |
| 3. Amounts withheld from paid claims and capitations: | | | | | | | | | | |
| 3.1 Direct | 0 | | | | | | | | | |
| 3.2 Reinsurance assumed | 0 | | | | | | | | | |
| 3.3 Reinsurance ceded | 0 | | | | | | | | | |
| 3.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Totals: | | | | | | | | | | |
| 4.1 Direct | 33,795,969 | 0 | 0 | 0 | 0 | 0 | 0 | 33,795,969 | 0 | 0 |
| 4.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Net | 33,795,969 | 0 | 0 | 0 | 0 | 0 | 0 | 33,795,969 | 0 | 0 |



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# UNDERWRITING AND INVESTMENT EXHIBIT

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

| Line of Business | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 | 6 |
|---|---|---|---|---|---|---|
| | 1<br>On Claims Incurred Prior to January 1 of Current Year | 2<br>On Claims Incurred During the Year | 3<br>On Claims Unpaid December 31 of Prior Year | 4<br>On Claims Incurred During the Year | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| 1. Comprehensive (hospital and medical) | | | | | 0 | |
| 2. Medicare supplement | | | | | 0 | |
| 3. Dental only | | | | | 0 | |
| 4. Vision only | | | | | 0 | |
| 5. Federal employees health benefits plan | | | | | 0 | |
| 6. Title XVIII - Medicare | 21,006,018 | 95,152,777 | 1,274,079 | 13,877,666 | 22,280,097 | 21,798,633 |
| 7. Title XIX - Medicaid | 41,454,629 | 223,989,665 | 1,325,921 | 32,470,047 | 42,780,550 | 49,471,957 |
| 8. Other health | | | | | 0 | |
| 9. Health subtotal (Lines 1 to 8) | 62,460,647 | 319,142,442 | 2,600,000 | 46,347,713 | 65,060,647 | 71,270,590 |
| 10. Healthcare receivables (a) | | | | | 0 | |
| 11. Other non-health | | | | | 0 | |
| 12. Medical incentive pools and bonus amounts | 19,806,213 | 1,084,651 | 17,421,561 | 21,503,961 | 37,227,774 | 19,225,887 |
| 13. Totals (Lines 9 - 10 + 11 + 12) | 82,266,860 | 320,227,093 | 20,021,561 | 67,851,674 | 102,288,421 | 90,496,477 |

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



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# UNDERWRITING AND INVESTMENT EXHIBIT

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

(000 Omitted)

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

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|---|---|---|---|---|---|
| | 1<br>2012 | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1. Prior | 44,051 | 1,832 | 627 | | |
| 2. 2012 | 303,827 | 29,848 | 992 | 507 | |
| 3. 2013 | XXX | 320,115 | 23,998 | 695 | 174 |
| 4. 2014 | XXX | XXX | 239,921 | 23,228 | 498 |
| 5. 2015 | XXX | XXX | XXX | 392,823 | 48,045 |
| 6. 2016 | XXX | XXX | XXX | XXX | 353,696 |

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

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---|---|---|---|---|---|
| | 1<br>2012 | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1. Prior | 44,051 | 1,832 | 627 | | |
| 2. 2012 | 303,827 | 29,848 | 992 | 507 | |
| 3. 2013 | XXX | 320,115 | 23,998 | 695 | 174 |
| 4. 2014 | XXX | XXX | 239,921 | 23,228 | 498 |
| 5. 2015 | XXX | XXX | XXX | 392,823 | 65,376 |
| 6. 2016 | XXX | XXX | XXX | XXX | 450,281 |

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

| Years in Which Premiums were Earned and Claims were Incurred | 1<br>Premiums Earned | 2<br>Claim Payments | 3<br>Claim Adjustment Expense Payments | 4<br>Percent (Col. 3/2) | 5<br>Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6<br>Percent (Col. 5/1) | 7<br>Claims Unpaid | 8<br>Unpaid Claim Adjustment Expense | 9<br>Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10<br>Percent (Col. 9/1) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. 2012 | 415,521 | 335,175 | 3,366 | 1.0 | 338,540 | 81.5 | | | 338,540 | 81.5 |
| 2. 2013 | 402,748 | 344,982 | 3,451 | 1.0 | 348,433 | 86.5 | | | 348,433 | 86.5 |
| 3. 2014 | 345,936 | 263,647 | 2,685 | 1.0 | 266,333 | 77.0 | | | 266,333 | 77.0 |
| 4. 2015 | 522,821 | 455,995 | 4,474 | 1.0 | 460,470 | 88.1 | 2,204 | 22 | 462,696 | 88.5 |
| 5. 2016 | 456,426 | 353,696 | 3,876 | 1.1 | 357,571 | 78.3 | 45,703 | 256 | 403,529 | 88.4 |

## Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

# UNDERWRITING AND INVESTMENT EXHIBIT

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

(000 Omitted)

### SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|---|---|---|---|---|---|
| | 1<br>2012 | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1. Prior | 44,051 | 1,832 | 627 | | |
| 2. 2012 | 303,827 | 29,848 | 992 | 507 | |
| 3. 2013 | XXX | 320,115 | 23,998 | 695 | 174 |
| 4. 2014 | XXX | XXX | 239,921 | 23,228 | 498 |
| 5. 2015 | XXX | XXX | XXX | 238,282 | 16,153 |
| 6. 2016 | XXX | XXX | XXX | XXX | 114,428 |

### SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---|---|---|---|---|---|
| | 1<br>2012 | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1. Prior | 44,051 | 1,832 | 627 | | |
| 2. 2012 | 303,827 | 29,848 | 992 | 507 | |
| 3. 2013 | XXX | 320,115 | 23,998 | 695 | 174 |
| 4. 2014 | XXX | XXX | 239,921 | 23,228 | 498 |
| 5. 2015 | XXX | XXX | XXX | 238,282 | 16,153 |
| 6. 2016 | XXX | XXX | XXX | XXX | 114,428 |

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

| Years in Which Premiums were Earned and Claims were Incurred | 1<br>Premiums Earned | 2<br>Claim Payments | 3<br>Claim Adjustment Expense Payments | 4<br>Percent (Col. 3/2) | 5<br>Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6<br>Percent (Col. 5/1) | 7<br>Claims Unpaid | 8<br>Unpaid Claim Adjustment Expenses | 9<br>Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10<br>Percent (Col. 9/1) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. 2012 | 415,521 | 335,175 | 3,366 | 1.0 | 338,540 | 81.5 | | | 338,540 | 81.5 |
| 2. 2013 | 402,748 | 344,982 | 3,451 | 1.0 | 348,433 | 86.5 | | | 348,433 | 86.5 |
| 3. 2014 | 345,936 | 263,647 | 2,685 | 1.0 | 266,333 | 77.0 | | | 266,333 | 77.0 |
| 4. 2015 | 286,843 | 254,435 | 2,459 | 1.0 | 256,894 | 89.6 | | | 256,894 | 89.6 |
| 5. 2016 | 152,093 | 114,428 | 1,483 | 1.3 | 115,911 | 76.2 | | | 115,911 | 76.2 |

# UNDERWRITING AND INVESTMENT EXHIBIT

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

(000 Omitted)

### SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|---|---|---|---|---|---|
| | 1<br>2012 | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1. Prior | | | | | |
| 2. 2012 | | | | | |
| 3. 2013 | XXX | | | | |
| 4. 2014 | XXX | XXX | | | |
| 5. 2015 | XXX | XXX | XXX | 154,541 | 31,891 |
| 6. 2016 | XXX | XXX | XXX | XXX | 239,267 |

### SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---|---|---|---|---|---|
| | 1<br>2012 | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1. Prior | | | | | |
| 2. 2012 | | | | | |
| 3. 2013 | XXX | | | | |
| 4. 2014 | XXX | XXX | | | |
| 5. 2015 | XXX | XXX | XXX | 154,541 | 49,223 |
| 6. 2016 | XXX | XXX | XXX | XXX | 335,852 |

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

| Years in Which Premiums were Earned and Claims were Incurred | 1<br>Premiums Earned | 2<br>Claim Payments | 3<br>Claim Adjustment Expense Payments | 4<br>Percent (Col. 3/2) | 5<br>Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6<br>Percent (Col. 5/1) | 7<br>Claims Unpaid | 8<br>Unpaid Claim Adjustment Expenses | 9<br>Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10<br>Percent (Col. 9/1) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. 2012 | | | | 0.0 | 0 | 0.0 | | | 0 | 0.0 |
| 2. 2013 | | | | 0.0 | 0 | 0.0 | | | 0 | 0.0 |
| 3. 2014 | | | | 0.0 | 0 | 0.0 | | | 0 | 0.0 |
| 4. 2015 | 235,978 | 201,560 | 2,016 | 1.0 | 203,576 | 86.3 | 2,204 | 22 | 205,802 | 87.2 |
| 5. 2016 | 304,332 | 239,267 | 2,393 | 1.0 | 241,660 | 79.4 | 45,703 | 256 | 287,618 | 94.5 |

## Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

## Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only
NONE

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - ANALYSIS OF EXPENSES

| | Claim Adjustment Expenses 1 Cost Containment Expenses | Claim Adjustment Expenses 2 Other Claim Adjustment Expenses | 3 General Administrative Expenses | 4 Investment Expenses | 5 Total |
|---|---|---|---|---|---|
| 1. Rent ($.....0 for occupancy of own building) | | | 1,300,303 | | 1,300,303 |
| 2. Salaries, wages and other benefits | | | 27,100,788 | | 27,100,788 |
| 3. Commissions (less $.....0 ceded plus $.....0 assumed) | | | 1,565,835 | | 1,565,835 |
| 4. Legal fees and expenses | | | 389,216 | | 389,216 |
| 5. Certifications and accreditation fees | | | 100,431 | | 100,431 |
| 6. Auditing, actuarial and other consulting services | | | 3,919,038 | | 3,919,038 |
| 7. Traveling expenses | | | 96,524 | | 96,524 |
| 8. Marketing and advertising | | | 2,572,178 | | 2,572,178 |
| 9. Postage, express and telephone | | | 1,886,256 | | 1,886,256 |
| 10. Printing and office supplies | | | 93,804 | | 93,804 |
| 11. Occupancy, depreciation and amortization | | | 3,442,969 | | 3,442,969 |
| 12. Equipment | | | 3,189 | | 3,189 |
| 13. Cost or depreciation of EDP equipment and software | | | | | 0 |
| 14. Outsourced services including EDP, claims, and other services | | | | | 0 |
| 15. Boards, bureaus and association fees | | | | | 0 |
| 16. Insurance, except on real estate | | | 317,629 | | 317,629 |
| 17. Collection and bank service charges | | | | | 0 |
| 18. Group service and administration fees | | | | | 0 |
| 19. Reimbursements by uninsured plans | | | | | 0 |
| 20. Reimbursements from fiscal intermediaries | | | | | 0 |
| 21. Real estate expenses | | | 601,257 | | 601,257 |
| 22. Real estate taxes | | | 192,014 | | 192,014 |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes | | | | | 0 |
| 23.2 State premium taxes | | | | | 0 |
| 23.3 Regulatory authority licenses and fees | | | | | 0 |
| 23.4 Payroll taxes | | | | | 0 |
| 23.5 Other (excluding federal income and real estate taxes) | | | 331,664 | | 331,664 |
| 24. Investment expenses not included elsewhere | | | | 102,833 | 102,833 |
| 25. Aggregate write-ins for expenses | 0 | 0 | 11,769,807 | 0 | 11,769,807 |
| 26. Total expenses incurred (Lines 1 to 25) | 0 | 0 | 55,682,902 | 102,833 | (a) 55,785,735 |
| 27. Less expenses unpaid December 31, current year | | | 1,211,093 | | 1,211,093 |
| 28. Add expenses unpaid December 31, prior year | | | 1,284,706 | | 1,284,706 |
| 29. Amounts receivable relating to uninsured plans, prior year | | | | | 0 |
| 30. Amounts receivable relating to uninsured plans, current year | | | | | 0 |
| 31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 0 | 0 | 55,756,515 | 102,833 | 55,859,348 |

### DETAILS OF WRITE-INS

| | | | | | |
|---|---|---|---|---|---|
| 2501. Public & Provider Relations | | | 598,333 | | 598,333 |
| 2502. Data Process, Special Projects & Other Expenses | | | 11,171,474 | | 11,171,474 |
| 2503. | | | | | 0 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 0 | 0 | 11,769,807 | 0 | 11,769,807 |

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

# EXHIBIT OF NET INVESTMENT INCOME

| | | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|---|---|---|---|
| 1. | U.S. government bonds | (a) 110,942 | 143,039 |
| 1.1 | Bonds exempt from U.S. tax | (a) | |
| 1.2 | Other bonds (unaffiliated) | (a) 589,396 | 579,056 |
| 1.3 | Bonds of affiliates | (a) | |
| 2.1 | Preferred stocks (unaffiliated) | (b) | |
| 2.11 | Preferred stocks of affiliates | (b) | |
| 2.2 | Common stocks (unaffiliated) | | |
| 2.21 | Common stocks of affiliates | | |
| 3. | Mortgage loans | (c) | |
| 4. | Real estate | (d) | |
| 5. | Contract loans | | |
| 6. | Cash, cash equivalents and short-term investments | (e) 66,654 | 67,970 |
| 7. | Derivative instruments | (f) | |
| 8. | Other invested assets | | |
| 9. | Aggregate write-ins for investment income | 0 | 0 |
| 10. | Total gross investment income | 766,992 | 790,065 |
| 11. | Investment expenses | | (g) 102,833 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. | Interest expense | | (h) |
| 14. | Depreciation on real estate and other invested assets | | (i) 0 |
| 15. | Aggregate write-ins for deductions from investment income | | 0 |
| 16. | Total deductions (Lines 11 through 15) | | 102,833 |
| 17. | Net investment income (Line 10 minus Line 16) | | 687,232 |

**DETAILS OF WRITE-INS**

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

(a) Includes $.....13,550 accrual of discount less $.....105,630 amortization of premium and less $.....36,268 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 $.....45,185 accrual of discount less $.....4,250 amortization of premium and less $.....21,074 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....0 depreciation on real estate and $.....0 depreciation on other invested assets.

# EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1<br>Realized Gain (Loss) on Sales or Maturity | 2<br>Other Realized Adjustments | 3<br>Total Realized Capital Gain (Loss) (Columns 1 + 2) | 4<br>Change in Unrealized Capital Gain (Loss) | 5<br>Change in Unrealized Foreign Exchange Capital Gain (Loss) |
|---|---|---|---|---|---|---|
| 1. | U.S. government bonds | 170 | | 170 | | |
| 1.1 | Bonds exempt from U.S. tax | | | 0 | | |
| 1.2 | Other bonds (unaffiliated) | | | 0 | | |
| 1.3 | Bonds of affiliates | | | 0 | | |
| 2.1 | Preferred stocks (unaffiliated) | | | 0 | | |
| 2.11 | Preferred stocks of affiliates | | | 0 | | |
| 2.2 | Common stocks (unaffiliated) | | | 0 | (726) | |
| 2.21 | Common stocks of affiliates | | | 0 | | |
| 3. | Mortgage loans | | | 0 | | |
| 4. | Real estate | | | 0 | | |
| 5. | Contract loans | | | 0 | | |
| 6. | Cash, cash equivalents and short-term investments | | | 0 | | |
| 7. | Derivative instruments | | | 0 | | |
| 8. | Other invested assets | | | 0 | | |
| 9. | Aggregate write-ins for capital gains (losses) | 0 | 0 | 0 | 0 | 0 |
| 10. | Total capital gains (losses) | 170 | 0 | 170 | (726) | 0 |

**DETAILS OF WRITE-INS**

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

# EXHIBIT OF NONADMITTED ASSETS

| | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|---|---|---|---|
| 1. Bonds (Schedule D) | | | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | | | 0 |
| 2.2 Common stocks | | | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | | | 0 |
| 3.2 Other than first liens | | | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | | | 0 |
| 4.2 Properties held for the production of income | | | 0 |
| 4.3 Properties held for sale | | | 0 |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | | | 0 |
| 6. Contract loans | | | 0 |
| 7. Derivatives (Schedule DB) | | | 0 |
| 8. Other invested assets (Schedule BA) | | | 0 |
| 9. Receivables for securities | | | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | 0 |
| 11. Aggregate write-ins for invested assets | 942,312 | 552,162 | (390,150) |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 942,312 | 552,162 | (390,150) |
| 13. Title plants (for Title insurers only) | | | 0 |
| 14. Investment income due and accrued | | | 0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | | 474,175 | 474,175 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | 0 |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination | | | 0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 |
| 17. Amounts receivable relating to uninsured plans | | | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 |
| 18.2 Net deferred tax asset | | | 0 |
| 19. Guaranty funds receivable or on deposit | | | 0 |
| 20. Electronic data processing equipment and software | | | 0 |
| 21. Furniture and equipment, including health care delivery assets | | | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | | | 0 |
| 24. Health care and other amounts receivable | | | 0 |
| 25. Aggregate write-ins for other-than-invested assets | 0 | 0 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25) | 942,312 | 1,026,337 | 84,025 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 |
| 28. TOTALS (Lines 26 and 27) | 942,312 | 1,026,337 | 84,025 |

**DETAILS OF WRITE-INS**

| | | | |
|---|---|---|---|
| 1101. Prepaid Expense | | | 0 |
| 1102. Advance to Providers | 942,312 | 545,709 | (396,603) |
| 1103. AR Compcare | | | 0 |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 6,453 | 6,453 |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | 942,312 | 552,162 | (390,150) |
| 2501. Plan to Plan Receivable | | | 0 |
| 2502. | | | 0 |
| 2503. | | | 0 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 0 | 0 | 0 |

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

| Source of Enrollment | Total Members at End of | | | | | 6 |
|---|---|---|---|---|---|---|
| | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | Current Year Member Months |
| 1. Health maintenance organizations | 180,753 | 174,898 | 170,841 | 147,923 | 147,495 | 1,973,793 |
| 2. Provider service organizations | | | | | | |
| 3. Preferred provider organizations | | | | | | |
| 4. Point of service | | | | | | |
| 5. Indemnity only | | | | | | |
| 6. Aggregate write-ins for other lines of business | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Total | 180,753 | 174,898 | 170,841 | 147,923 | 147,495 | 1,973,793 |

DETAILS OF WRITE-INS

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



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# EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

| 1<br>Name of Debtor | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>Over 90 Days | 6<br>Nonadmitted | 7<br>Admitted |
|---|---|---|---|---|---|---|
| **A&H Premiums Due and Unpaid** | | | | | | |
| 0499999. Premiums due and unpaid from Medicaid entities | 491,152 | 496,560 | 491,131 | 1,184,705 | | 2,663,548 |
| 0599999. Accident and health premiums due and unpaid (Page 2, Line 15) | 491,152 | 496,560 | 491,131 | 1,184,705 | 0 | 2,663,548 |

# EXHIBIT 3 - HEALTH CARE RECEIVABLES

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

**NONE**

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

| Type of Health Care Receivable | Health Care Receivables Collected During the Year | | Heath Care Receivables Accrued as of December 31 of Current Year | | 5 | 6 |
|---|---|---|---|---|---|---|
| | 1<br>On Amounts Accrued Prior to January 1 of Current Year | 2<br>On Amounts Accrued During the Year | 3<br>On Amounts Accrued December 31 of Prior Year | 4<br>On Amounts Accrued During the Year | Health Care Receivables in Prior Years (Columns 1 + 3) | Estimated Health Care Receivables Accrued as of December 31 of Prior Year |
| 1. Pharmaceutical rebate receivables | 2,937,956 | 1,630,227 | | | 2,937,956 | 2,184,579 |
| 2. Claim overpayment receivables | | | | | 0 | |
| 3. Loans and advances to providers | | | | | 0 | |
| 4. Capitation arrangement receivables | | | | | 0 | |
| 5. Risk sharing receivables | | | | | 0 | |
| 6. Other health care receivables | | | | | 0 | |
| 7. Totals (Lines 1 through 6) | 2,937,956 | 1,630,227 | 0 | 0 | 2,937,956 | 2,184,579 |

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



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

## Aging Analysis of Unpaid Claims

| 1<br>Account | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>91 - 120 Days | 6<br>Over 120 Days | 7<br>Total |
|---|---|---|---|---|---|---|
| **Claims Unpaid (Reported)** | | | | | | |
| Claims Unpaid | 15,817,654 | 7,500,157 | 3,642,399 | 1,492,998 | 5,342,762 | 33,795,970 |
| 0199999. Individually listed claims unpaid | 15,817,654 | 7,500,157 | 3,642,399 | 1,492,998 | 5,342,762 | 33,795,970 |
| 0499999. Subtotals | 15,817,654 | 7,500,157 | 3,642,399 | 1,492,998 | 5,342,762 | 33,795,970 |
| 0799999. Total claims unpaid | | | | | | 33,795,970 |
| 0899999. Accrued medical incentive pool and bonus amounts | | | | | | 14,110,993 |

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

| 1 | 2 | 3 | 4 | 5 | 6 | Admitted | |
|---|---|---|---|---|---|---|---|
| | | | | | | 7 | 8 |
| Name of Affiliate | 1 - 30 Days | 31 - 60 Days | 61 - 90 Days | Over 90 Days | Nonadmitted | Current | Non-Current |

NONE

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

| 1<br>Affiliate | 2<br>Description | 3<br>Amount | 4<br>Current | 5<br>Non-Current |
|---|---|---|---|---|
| **Amounts Due To Parent, Subsidiaries and Affiliates** | | | | |
| 0299999. Payables not individually listed | | 7,297,585 | 7,297,585 | |
| 0399999. Total gross payables | | 7,297,585 | 7,297,585 | 0 |

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

| Payment Method | 1<br>Direct Medical Expense Payment | 2<br>Column 1 as a % of Total Payment | 3<br>Total Members Covered | 4<br>Column 3 as a % of Total Members | 5<br>Column 1 Expenses Paid to Affiliated Providers | 6<br>Column 1 Expenses Paid to Non-Affiliated Providers |
|---|---|---|---|---|---|---|
| Capitation Payments: | | | | | | |
| 1. Medical groups | 50,731,940 | 12.2 | 147,495 | 100.0 | | 50,731,940 |
| 2. Intermediaries | 0 | 0.0 | | | | |
| 3. All other providers | 11,578,784 | 2.8 | | | | 11,578,784 |
| 4. Total capitation payments | 62,310,724 | 14.9 | 147,495 | 100.0 | 0 | 62,310,724 |
| Other Payments: | | | | | | |
| 5. Fee-for-service | 222,821,287 | 53.5 | XXX | XXX | | 222,821,287 |
| 6. Contractual fee payments | 0 | 0.0 | XXX | XXX | | |
| 7. Bonus/withhold arrangements - fee-for-service | 0 | 0.0 | XXX | XXX | | |
| 8. Bonus/withhold arrangements - contractual fee payments | 11,192,591 | 2.7 | XXX | XXX | | 11,192,591 |
| 9. Non-contingent salaries | 0 | 0.0 | XXX | XXX | | |
| 10. Aggregate cost arrangements | 0 | 0.0 | XXX | XXX | | |
| 11. All other payments | 120,470,854 | 28.9 | XXX | XXX | | 120,470,854 |
| 12. Total other payments | 354,484,732 | 85.1 | XXX | XXX | 0 | 354,484,732 |
| 13. Total (Line 4 plus Line 12) | 416,795,455 | 100.0 | XXX | XXX | 0 | 416,795,455 |

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

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

**NONE**

# EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

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

NONE



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# NOTES TO FINANCIAL STATEMENTS

**Note 1 – Summary of Significant Accounting Policies and Going Concern**

A. Accounting Practices

| | SSAP # | F/S Page | F/S Line # | 2016 | 2015 |
|---|---|---|---|---|---|
| **NET INCOME** | | | | | |
| (1) PMC Medicare Choice,LLC. state basis (Page 4, Line 32, Columns 2 & 3) | XXX | XXX | XXX | $ 2,706,004 | $ (1,773,350) |
| (2) State Prescribed Practices that increase/decrease NAIC SAP | | | | | |
| | | | | | |
| (3) State Permitted Practices that increase/decrease NAIC SAP | | | | | |
| | | | | | |
| (4) NAIC SAP (1 – 2 – 3 = 4) | XXX | XXX | XXX | $ 2,706,004 | $ (1,773,350) |
| **SURPLUS** | | | | | |
| (5) PMC Medicare Choice,LLC. state basis (Page 3, line 33, Columns 3 & 4) | XXX | XXX | XXX | $ 34,595,329 | $ 42,170,354 |
| (6) State Prescribed Practices that increase/decrease NAIC SAP | | | | | |
| | | | | | |
| (7) State Permitted Practices that increase/decrease NAIC SAP | | | | | |
| | | | | | |
| (8) NAIC SAP (5 – 6 – 7 = 8) | XXX | XXX | XXX | $ 34,595,329 | $ 42,170,354 |

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of the statutory financial statements requires management of the Company to make estimates and assumptions relating to the reported amounts included in the statutory financial statements and accompanying notes. The most significant items subject to estimates and assumptions are the actuarial determination for medical claims liabilities, the Company's estimated risk adjustment payments receivable from CMS and ASES, and certain amounts recorded related to the Part D program. Actual results could differ from these estimates.

C. Accounting Policy

PMC Medicare Choice, LLC (the Company or PMC) was organized under the laws of the Commonwealth of Puerto Rico on December 28, 2000 and is a wholly owned subsidiary of MMM Holdings, LLC (Holdings or Parent Company), a corporation organized under the laws of the Commonwealth of Puerto Rico. Holdings is a wholly owned subsidiary of InnovaCare, Inc. (InnovaCare), a Puerto Rico corporation.

The Company was organized to develop and provide Medicare Advantage Plan (MA Plan) coverage to residents of Puerto Rico who are eligible for Medicare benefits. The MA Plan offered by the Company provides plan members with full Medicare Part A and Plan B benefits plus coverage of Medicare deductibles and copayment amounts and additional benefits that traditional fee-for-service Medicare does not provide. Since January 2006, the MA Plan has also offered Medicare Part D drug coverage (MA-PD plan). The MA Plan operates as a health services organization (HSO) whereby members are covered for care provided by physicians, hospitals, and other healthcare providers.

The Company offers its Medicare Advantage Plan pursuant to a contract with the United States Centers for Medicare and Medicaid Services (CMS), a federal agency within the U.S. Department of Health and Human Services. Under the terms of this contract, CMS pays the Company a fixed amount which is subject to future adjustment for each member of the Company's coordinated care plan, and the Company provides the coverage to that member for the health services provided. The contract is for a period of one year commencing January 1 and ending on December 31, and can be renewed for periods of one year, as defined in the contract. The contract was renewed effective January 1, 2017 for a period of one year. The Company also provides supplemental health coverage to Medicare and Medicaid dual eligible members enrolled in a specified MA-PD plan.

In August 2016, MMM Healthcare, LLC and PMC agreed to a novation agreement with United States Centers for Medicare & Medicaid Services ("CMS"), a federal agency within the U.S. Department of Health and Human Services, to transfer PMC's Medicare Advantage contract with CMS to MMM Healthcare (the "Novation"). In connection with the Novation, PMC assigned all of the assets and liabilities relating to the Medicare Advantage contract to MMM Healthcare, and MMM Healthcare assumed all obligations with respect to such assets and liabilities. Net assets transferred under GAAP basis and STAT basis amounted to $40,726,000 and 38,924,000, respectively.

The Company has signed a contract with the Puerto Rico Health Insurance Administration /Administración de Seguros de Salud de Puerto Rico (ASES) to provide managed care health insurance benefits for Medicaid, Children's Health Insurance Program (CHIP) and other eligible persons in the Southeast region of Puerto Rico, the Government Health Plan (GHP), for the period April 1, 2015 through June 30, 2017. On January 1, 2017, PMC assigned its GHP contract and of the assets and liabilities relating to such contract to MMM Multi Health, LLC, and MMM Multi Health, LLC assumed all obligations with respect to such assets and liabilities as of January 1, 2017.

***Basis of Presentation***

The accompanying statutory financial statements of the Company have been prepared in accordance with accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico (the Commissioner of Insurance), which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The Commissioner of Insurance has adopted the National Association of Insurance Commissioners' statutory accounting practices (NAIC SAP), as the basis of its statutory accounting practices, as long as they do not contradict the provisions of the Insurance Code of the Commonwealth of Puerto Rico (the Insurance Code) or the Circular Letters issued by the Commissioner of Insurance.

The Commissioner of Insurance has the right to permit other specific practices that may deviate from prescribed practices. Prescribed statutory accounting practices (SAP) include a variety of publications of the National Association of Insurance Commissioners (NAIC) including its codification initiative contained in its *Accounting Practices and Procedures Manual*, as well as state laws, regulations, and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed.

***Use of Estimates***

The preparation of the statutory financial statements requires management of the Company to make estimates and assumptions relating to the reported amounts included in the statutory financial statements and accompanying notes. The most significant items subject to estimates and assumptions are the actuarial determination for medical claims liabilities, the Company's estimated risk adjustment payments receivable from CMS and ASES, and certain amounts recorded related to the Part D program. Actual results could differ from these estimates.

# NOTES TO FINANCIAL STATEMENTS

***Recognition of Premium Revenue***

Premium revenue is recognized as revenue over the period in which service or benefits are obligated to be provided. The Company recognizes premium revenue for the Part D payments received from CMS for which it assumes risk. The Company does not record revenue related to Part D payments from CMS that represent payments for claims for which it assumes no risk (note 4).

Annually, CMS adjusts the premium base paid to MA-PD plans for risk factor considerations. These adjustments are related to the severity of the clinical condition of each member and are calculated by CMS using, for the most part, claims data from the prior year. Final risk factor adjustments for the year are paid on a lump-sum basis to account for the proper risk factor retroactively to the beginning of the year. Changes in revenues from CMS resulting from the periodic changes in risk adjustment scores for the Company's membership are recognized when the amounts become determinable, and the collectability is reasonably assured. Such estimates are regularly reviewed and updated and any resulting adjustments are included in the current period's results.

Substantially, all revenues recognized by the Company are received from CMS and from ASES. Revenues are recognized ratably over the period of coverage based on anticipated CMS and ASES reimbursement rates, number of enrollees, and expected Medicare and Medicaid eligibility. Actual amounts received from CMS and ASES are subject to adjustment based on subsequent review of members' eligibility or retroactive adjustments of reimbursement rates. An estimate is made of such retroactive adjustments based on historical trends, premiums billed, number of members, expected eligibility, and other information. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by CMS.

Premium revenue for GHP is recognized as revenue over the period in which service or benefits are obligated to be provided. Substantially, all revenues recognized by the Company are received from ASES. Revenues are recognized ratably over the period of coverage based on anticipated ASES reimbursement rates, number of enrollees, and expected Medicaid eligibility. Actual amounts received from ASES are subject to adjustment based on subsequent review of members' eligibility. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by ASES.

Expenses incurred in connection with the acquisition of business, such as sales and brokers' commissions, are charged to operations as incurred.

***Cash, Cash Equivalents, and Short-Term Investments***

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents (none at December 31, 2016 and 2015). Short-term investments are defined as short-term highly liquid investments with remaining maturities of one year or less at the time of acquisition (excluding those investments classified as cash equivalents). Short-term investments having an original maturity of less than one year are stated at cost. At December 31, 2016 and 2015, cash and short-term investments consisted of cash deposited in financial institutions and money market funds amounting to $53,939,502 and $55,272,810, respectively, of which approximately $44,612,000 and $35,720,000, respectively, represent short-term investments.

***Investment Securities***

Bonds and other debt securities, and equity securities are reported in accordance with rules promulgated by NAIC. Bonds that are designated highest quality, NAIC designation 1 and 2, are reported at amortized cost, and bonds that are classified as NAIC designation 3 or lower are reported at lower of amortized cost or fair value. Other debt securities eligible for amortization under such rules and nonredeemable preferred stocks are stated at amortized cost. Equity securities are carried at estimated fair value. Adjustments reflecting the unrealized appreciation or depreciation of equity securities are shown as a component of surplus, net of tax and are not included in the determination of the net gain from operations.

Realized gains or losses on the sale of investments are included in operations and are derived using the specific-identification method for determining the cost of securities sold. Interest and dividend income is recognized when earned.

The Company applies the provisions of SSAP No. 43R, *Loan-Backed and Structured Securities*, 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.

A decline in the fair value of any security below cost that is deemed to be other-than-temporary impairment (OTTI) results in a reduction in carrying amount to fair value. The impairment is charged to operations and a new cost basis for the security is established. To determine whether impairment is other-than temporary, the Company considers all available information relevant to the recoverability of the security, including past events, current conditions, and reasonable and supportable forecasts when developing an estimate of cash flows expected to be collected. Evidence considered in this assessment includes the reasons for the impairment, the severity and duration of the impairment, changes in value subsequent to year-end and forecasted performance of the investee.

Premiums and discounts on bonds and other debt securities are amortized or accreted over the life of the related security as an adjustment to yield using the effective-interest method. Such amortization and accretion is included in investment income in the accompanying statutory statements of revenue and expenses.

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

***Fair Value Measurements***

The Company follows the guidance in SSAP No. 100, *Fair Value Measurements*, for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the statutory financial statements on a recurring basis. SSAP No. 100 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The carrying amounts of cash and cash equivalents, short-term investments, receivables, accounts payable, and accrued liabilities approximate fair value because of the short-term nature of these instruments and should be collected or paid within 12 months after year-end.

The Company utilizes valuation techniques that maximize the use of observable inputs and minimizes the use unobservable inputs. Additional information on the fair value of investments is included in note 5.

# NOTES TO FINANCIAL STATEMENTS

***Medical Claim Liabilities and Medical Costs and Claims***

Medical claim liabilities are accrued as services are rendered, including claims in process and other medical liabilities and an estimate for claims incurred but not yet reported (IBNR). The IBNR is determined based upon an actuarial analysis of the Company's historical claim payment patterns, management estimates, and other statistics. In addition, the Company contracts with various service providers, which are compensated based on a capitation basis. Expenses related to these providers, which are based in part on estimates, are recorded in the period in which the related services are rendered.

The medical claim liabilities are based on estimates and, while management believes that the amounts are adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in the statutory statements of revenue and expenses of the current period. Other medical claims liabilities include medical costs disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. The actual results could differ materially from the amount recorded in the statutory financial statements of the Company.

Medical costs and claims consist of claim payments, capitation payments, risk-sharing payments, compensation to doctors and pharmacy costs, net of rebates, as well as estimates of future payments of claims provided for services rendered prior to the end of the reporting period. Capitation payments represent monthly contractual fees disbursed to physicians and other providers who are responsible for providing medical care to members. Risk-sharing payments represent amounts paid under risk-sharing arrangements with providers, including independent physician associations. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers. Rebates are recognized when the rebates are earned according to the contractual arrangements with the respective vendors.

Premiums the Company pays to reinsurers are reported as an off-set to premiums, and related reinsurance recoveries are reported as reductions from medical expenses.

***Income Taxes***

Income taxes are accounted for in accordance with SSAP No. 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10* (SAP 101). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Under SAP 101, the amount permitted to be recognized is more restrictive and, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in the accompanying statutory statements of changes in capital and surplus in the period that includes the enactment date.

Under SAP 101, gross deferred tax assets generally are admitted to the extent the Company's income taxes paid in prior years can be recovered through loss carrybacks; plus the amounts determined by applying the *Realization Threshold Limitation Table – RBC Reporting Entities (RBC Reporting Entity)*; plus any remaining deferred tax assets that can be offset against existing gross deferred tax liabilities.

The Company reviews its gross deferred tax assets for realizability and in assessing the total deferred tax assets that will be realized management considers historical taxable income, projected future taxable income, applicable tax strategies, and the expected timing of the reversals of existing temporary differences. A valuation allowance is provided when it is more likely than not that some portion or all of the gross deferred tax assets will not be realized. Management believes that the company will not be able to realized its gross deferred tax assets. A valuation allowance was established as of December 31, 2016 .

The Company is a single member Limited Liability Company (LLC) and has elected to be treated as a partnership for Puerto Rico tax purposesThe Company has a tax sharing agreement to provide Holdings with the funds necessary to satisfy the Company's share of income taxes. Income tax payments are allocated to the Company based on their taxable income or loss as it if had been taxed as a corporation instead of a partnership.

Deferred tax charges are amortized to income tax expense in proportion to the realization of the tax benefits that gave rise to the deferred tax charge.

The Company accounts for uncertainty in income taxes by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company recognizes interest and penalties relating to uncertain tax positions in income tax expense. For the years ended December 31, 2016 and 2015, there were no unrecognized tax benefits.

D. Going Concern - Not applicable

**Note 2 – Accounting Changes and Corrections of Errors - Not applicable**

**Note 3 – Business Combinations and Goodwill - Not applicable**

A. Statutory Purchase Method - Not applicable

B. Statutory Merger- Not applicable

C. Assumption Reinsurance- Not applicable

D. Impairment Loss- Not applicable

**Note 4 – Discontinued Operations - Not applicable**

A. Discontinued Operation Disposed of or Classified as Held for Sale - Not applicable

B. Change in Plan of Sale of Discontinued Operation - Not applicable

C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal - Not applicable

D. Equity Interest Retained in the Discontinued Operation After Disposal - Not applicable

**Note 5 – Investments**

# NOTES TO FINANCIAL STATEMENTS

A. Mortgage Loans, including Mezzanine Real Estate Loans-Not applicable

B. Debt Restructuring-Not applicable

C. Reverse Mortgages-Not applicable

D. Loan-Backed Securities

Gross unrealized losses on available for sale investment securities for which other-than-temporary impairments have not been recognized and the estimated fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2016 are as follows:

| | 2016 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 12 months | | 12 months or longer | | Total | |
| | Estimated fair value | Gross unrealized losses | Estimated fair value | Gross unrealized losses | Estimated fair value | Gross unrealized losses |
| U.S. Treasury securities and obligations of U.S. government agencies, state and authorities | $ 15,607,043 | (126,545) | — | — | 15,607,043 | (126,545) |
| Corporate bonds | 5,197,134 | (51,537) | — | — | 5,197,134 | (51,537) |
| Mortgage-backed securities | 5,208,438 | (95,516) | — | — | 5,208,438 | (95,516) |
| Collateralized mortgage obligation | 512,560 | (3,721) | — | — | 512,560 | (3,721) |
| Asset-backed securities | 1,916,459 | (13,350) | — | — | 1,916,459 | (13,350) |
| Total | $ 28,441,634 | (290,669) | — | — | 28,441,634 | (290,669) |

E. Repurchase Agreements and/or Securities Lending Transactions - Not applicable

F. Real Estate-Not applicable

G. Investments in Low-Income Housing Trade Credits (LIHTC)-Not applicable

H. Restricted Assets-Not applicable

I. Working Capital Finance Investments-Not applicable

J. Offsetting and Netting of Assets and Liabilities-Not applicable

K. Structured Notes - Not applicable

L. 5* Securities - Not appliecable

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

A. Not applicable

B. Not applicable

**Note 7 – Investment Income**

A. Components of investment income for the years ended December 31, 2016 and 2015 were as follows:

| | 2016 | 2015 |
|---|---|---|
| Cash and short-term investments | $ 17,157 | 20,732 |
| Bonds and other debt securities, and certificates of deposit | 670,075 | 800,685 |
| Other | 1,372,058 | 92,048 |
| Total | $ 2,059,290 | 913,465 |

B.There are no net realized gains for the year ended December 31, 2016. For the year ended December 31, 2015 net realized gains are approximately $29,000 and are included as component of investment income.

**Note 8 – Derivative Instruments - Not applicable**

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

**Note 9 – Income Taxes**

A. The income tax expense differs from the amount computed by applying the Puerto Rico statutory income tax rate of 39% in 2016 and 2015 to the income before income taxes as a result of the following:

| | | 2016 | 2015 |
|---|---|---|---|
| Computed "expected" tax (benefit) expense | $ | 1,143,253 | (691,607) |
| Increase (reduction) in income benefit resulting from: | | | |
| Exempt interest income | | (17,169) | (34,111) |
| Intangibles and deferred tax charge amortization | | | |
| tax rate differential | | — | — |
| Change in nonadmitted deferred income taxes | | 32,769 | — |
| Valuation allowance | | 2,115,730 | |
| Other | | 293,291 | (136,666) |
| Total | $ | 3,567,874 | (862,384) |
| Income tax | $ | 225,219 | — |
| Change in deferred income taxes | | 3,342,655 | (862,384) |
| Total statutory income tax expense | $ | 3,567,874 | (862,384) |

Deferred income taxes reflect the tax effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. The deferred tax asset at December 31, 2016 and 2015 of the Company is composed of the following:

| | | 2016 | 2015 | Change |
|---|---|---|---|---|
| Deferred tax assets: | | | | |
| Ordinary: | | | | |
| Advances to providers | $ | 367,502 | 210,726 | 156,776 |
| Other liabilities | | — | 293,282 | (293,282) |
| Premiums receivable | | — | 187,445 | (187,445) |
| Net operating loss | | 1,748,228 | 2,649,102 | (900,874) |
| Other (including items <5% of total ordinary tax assets) | | — | 2,100 | (2,100) |
| Total deferred tax assets | | 2,115,730 | 3,342,655 | (1,226,925) |
| Statutory Valuation adjustment | | (2,115,730) | — | (2,115,730) |
| Total deferred tax assets | | — | 3,342,655 | (3,342,655) |
| Nonadmitted | | — | — | — |
| Admitted ordinary deferred tax assets | $ | — | 3,342,655 | (3,342,655) |

All the deferred tax assets are admitted under SAP applying the *Realization Threshold Limitation Table – RBC Reporting Entities* paragraphs 11.b.i and 11.b.ii.

Admissibility of deferred tax assets pursuant to paragraph 11.b.1 of SSAP 101 was based on RBC ratio excluding the admitted deferred tax assets. Such ratio as of December 31, 2016 and 2015 was 219% and 226%, respectively.

The change in deferred income taxes amounted to $3,342,655 in 2016 resulting in a decrease of unassigned surplus and $862,384 in 2015 resulting in an increase to unassigned surplus.

The Company files its Partnership informative return with a statute of limitation. In the normal course of the business, the Company is subject to examination by various taxing authorities. As of December 31, 2016, the Company may be subject to income tax examinations for the fiscal tax years ended 2011 through 2015.

B. to G. - Not applicable

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

A. Holdings provides certain management, infrastructure support, consulting, and implementation services in the operations of the Company and other subsidiaries of Holdings. On August 1, 2009, the Company entered into a delegation agreement with MSO of Puerto Rico, Inc. (MSO), an affiliate, to provide management and administrative services with respect to the network of physicians and other healthcare providers contracted by the Company in exchange for a management fee.

# NOTES TO FINANCIAL STATEMENTS

B. For these services, which Holdings charges a management fee based on 120% of Holdings monthly operating expenses. The delegation agreement terms with MSO include a fixed and variable component. The fixed component is determined based on a fixed percentage (4%) of the total premiums earned by the Company. The variable component is 25% of the surplus as contractually defined in the delegation agreements.

C. Holdings charged the Company approximately $44,328,000 and $54,399,000 during the years ended December 31, 2016 and 2015, respectively. During 2016 and 2015, MSO charged the Company approximately $10,784,000 and $18,216,000, respectively, of which $6,083,000 and $11,116,000, respectively, was for the fixed component which is included in general and administrative expenses and $4,700,000 and $7,100,000, respectively, was for the variable component, which is included in medical costs and claims, respectively.

D. The Company had a loan with Parent Company at December 31, 2015 amounting to $12,000,000 with a maturity date of December 31, 2017. Such loan is an interest bearing loan. Interest income for the year ended December 31, 2015 amounted to $92,048; based on thirty day LIBOR Rate. Interest rate at December 31, 2015 was 0.36%. The loan was approved by the Commissioner of Insurance of the Commonwealth of Puerto Rico. The loan was transferred to MMM Healthcare, LLC due to the Novation agreement. The amounts due to and due from parent company and affiliates at December 31, 2016 and 2015 are noninterest-bearing.

E. Not applicable

F. Not applicable

G. Not applicable

H. Not applicable

I. Not applicable

J. Not applicable

K. Not applicable

L. Not applicable

M. All SCA Investments-Not applicable

N. Investment in Insurance SCAs -Not applicable

**Note 11 – Debt - Not applicable**

A. Not applicable

B. FHLB (Federal Home Loan Bank) Agreements-Not applicable

**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans-Not applicable**

A. Defined Benefit Plan -Not applicable

B. Investment Policies and Strategies-Not applicable

C. Fair Value of Plan Assets-Not applicable

D. Basis Used to Determine Expected Long-Term Rate-of-Return-Not applicable

E. Defined Contribution Plans-Not applicable

F. Multiemployer Plans-Not applicable

G. Consolidated/Holding Company Plans-Not applicable

H. Postemployment Benefits and Compensated Absences-Not applicable

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)-Not applicable

**Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

(1) The Company has 8,970 shares authorized and issued. All shares are Class A shares.

(2) The Company has no preferred stock outstanding.

(3) Not applicable

(4) Dividends - March 2016 $3,747,000 & October 2016 $5,847,000

(5) Not applicable

(6) Not applicable

(7) Not applicable

# NOTES TO FINANCIAL STATEMENTS

(8) Not applicable

(9) Not applicable

(10) No applicable

(11) The reporting entity issued the following surplus debentures or similar obligations: Not applicable

(12) The impact of any restatement due to prior quasi-reorganizations is as follows: Not applicable

(13) Not applicable

**Note 14 – Liabilities, Contingencies and Assessments-Not applicable**

A. Contingent Commitments-Not applicable

B. Assessments-Not applicable

C. Gain Contingencies-Not applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits-Not applicable

E. Joint and Several Liabilities-Not applicable

F. All Other Contingencies-Not applicable

**Note 15 – Leases-Not applicable**

A. Lessee Operating Lease-Not applicable

B. Revenue, Net Income or Assets with Respect to Leases-Not applicable

**Note 16 – Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk-Not applicable**

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities-Not applicable**

A. Transfers of Receivables Reported as Sales-Not applicable

B. Transfer and Servicing of Financial Assets-Not applicable

C. Wash Sales-Not applicable

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

A. ASO Plans-Not applicable

B. ASC Plans-Not applicable

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

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators-Not applicable**

**Note 20 – Fair Value Measurements**

A.

(1) Fair Value Measurements at Reporting Date

| Assets at Fair Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Investments | $ 45,212,582 | $ 32,774,777 | $ | $ 77,987,359 |
| Total | $ 45,212,582 | $ 32,774,777 | $ | $ 77,987,359 |

| Liabilities at Fair Value-N/A | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Total | $ | $ | $ | $ |

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy-Not applicable

B. Not applicable

C.

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) |
|---|---|---|---|---|---|---|

# NOTES TO FINANCIAL STATEMENTS

| | | | | | | |
|---|---|---|---|---|---|---|
| Short Term Investments | $ 44,612,582 | $ 44,612,582 | $ 44,612,582 | $ | $ | $ |
| Corporate Bonds | 16,358,087 | 16,403,718 | | 16,358,087 | | |
| Mortgage-backed securities | 7,716,137 | 7,809,261 | | 7,716,137 | | |
| Asset-backed securities | 5,851,409 | 5,864,081 | | 5,851,409 | | |
| Collaterized mortgage obligations | 2,132,104 | 2,135,168 | | 2,132,104 | | |
| Equity Securities | 717,040 | 842,415 | | 717,040 | | |
| Restricted Securities | 600,000 | 600,000 | 600,000 | | | |

D. Not Practicable to Estimate Fair Value-Not applicable

**Note 21 – Other Items**

A. Unusual or Infrequent Items:In August 2016, MMM Healthcare, LLC and PMC agreed to a novation agreement with United States Centers for Medicare & Medicaid Services ("CMS"), a federal agency within the U.S. Department of Health and Human Services, to transfer PMC's Medicare Advantage contract with CMS to MMM Healthcare (the "Novation"). In connection with the Novation, PMC assigned all of the assets and liabilities relating to the Medicare Advantage contract to MMM Healthcare, and MMM Healthcare assumed all obligations with respect to such assets and liabilities. Net assets transferred under GAAP basis and STAT basis amounted to $40,726,000 and 38,924,000, respectively.

B. Troubled Debt Restructuring Debtors - Not applicable

C. Other Disclosures - Not applicable

D. Business Interruption Insurance Recoveries - Not applicable

E. State Transferable and Non-Transferable Tax Credits - Not applicable

F. Subprime Mortgage Related Risk Exposure - Not applicable

G. Retained Assets - Not applicable

H. Insurance-Linked Securities (ILS) Contracts-Not applicable

**Note 22 – Events Subsequent**

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? Yes [ X ] No [ ]

| | | | |
|---|---|---|---|
| B. | ACA fee assessment payable for the upcoming year | $ | $ 4,699,999 |
| C | ACA fee assessment paid | 8,660,369 | 5,628,642 |
| D. | Premium written subject to ACA 9010 assessment | 152,093,384 | 286,842,967 |
| E. | Total adjusted capital before surplus adjustment (Five-Year Historical Line 14) | 34,595,329 | |
| F. | Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above) | 34,595,329 | |
| G. | Authorized control level (Five-Year Historical Line 15) | $ 16,121,580 | |

H. Would reporting the ACA assessment as of December 31, 2016 have triggered an RBC action level (YES/NO)? Yes [ X ] No [ ]

**Note 23 – Reinsurance-Not applicable**

A. Ceded Reinsurance Report-Not applicable

B. Uncollectible Reinsurance-Not applicable

C. Commutation of Ceded Reinsurance-Not applicable

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation-Not applicable

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination - Not applicable**

A. Not applicable

B. Not applicable

C. Not applicable

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act. - Not applicable

E. Risk Sharing Provisions of the Affordable Care Act - Not applicable

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

Reserves as of December 31, 2016 were $47.9 million. As of December 31, 2016, $82.3 million has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now $3.7 million. Therefore, there has been a $11.7 million unfavorable prior year development during the year ended December 31, 2016. The unfavorable prior year development is attributed to higher than expected cost per service and utilization trends.

**Note 26 – Intercompany Pooling Arrangements- Not applicable**

A. Not applicable

# NOTES TO FINANCIAL STATEMENTS

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

G. Not applicable

**Note 27 – Structured Settlements - Not applicable**

**Note 28 – Health Care Receivables**

A. Pharmaceutical Rebate Receivables - Not applicable

B. Risk Sharing Receivables - Not applicable

**Note 29 – Participating Policies - Not applicable**

**Note 30 – Premium Deficiency Reserves - Not applicable**

**Note 31 – Anticipated Salvage and Subrogation - Not applicable**

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? 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 [X] No [ ] N/A [ ]

1.3 State regulating? Puerto Rico

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change: 07/01/2014

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014

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. 12/31/2007

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). 06/08/2005

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

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [ ] No [ ] N/A [X]

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

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---|---|---|
| | | |

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control %

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

| 1<br>Nationality | 2<br>Type of Entity |
|---|---|
| | |

8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

| 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---|---|---|---|---|---|
| | | | | | |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP American International Plaza Suite 1100 250 Munoz Rivera Ave. San Juan PR 00918

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

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

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

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

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

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

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Timothy Dickson, Innovacare Health, Fort Lee New Jersey

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved 0

12.13 Total book/adjusted carrying value $ 0

12.2 If yes, provide explanation

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

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

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

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

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

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

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

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

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

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

(e) Accountability for adherence to the code.

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

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

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

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

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

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

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

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

## BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No [ ]

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

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

## FINANCIAL

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

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

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

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

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

20.21 To directors or other officers $ 0

20.22 To stockholders not officers $ 0

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

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [ ] No [X]

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

21.21 Rented from others $

21.22 Borrowed from others $

21.23 Leased from others $

21.24 Other $

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

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment $

22.22 Amount paid as expenses $

22.23 Other amounts paid $

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### INVESTMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [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 sale – excluding FHLB Capital Stock | $ 0 |
| 25.27 | FHLB Capital Stock | $ 0 |
| 25.28 | On deposit with states | $ 600,000 |
| 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<br>Nature of Restriction | 2<br>Description | 3<br>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: $

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No [ ]

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

| 1<br>Name of Custodian(s) | 2<br>Custodian's Address |
|---|---|
| Conning | One Financial Plaza, Hartford, CT 06103, USA |

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<br>Name(s) | 2<br>Location(s) | 3<br>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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|---|---|---|---|
| | | | |

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

| 1<br>Name of Firm or Individual | 2<br>Affiliation |
|---|---|
| | |

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

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

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

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

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

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

29.2 If yes, complete the following schedule:

| 1<br>CUSIP | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted Carrying Value |
|---|---|---|
| | | |
| 29.2999 TOTAL | | |

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

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the Mutual Fund | 3<br>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | 4<br>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<br>Statement (Admitted) Value | 2<br>Fair Value | 3<br>Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|---|---|---|---|---|
| 30.1 | Bonds | 77,667,225 | 77,667,225 | 0 |
| 30.2 | Preferred Stocks | 0 | 0 | 0 |
| 30.3 | Totals | 77,667,225 | 77,667,225 | 0 |

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

N/A

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 [ ]

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? $ 0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

| 1<br>Name | 2<br>Amount Paid |
|---|---|
| | $ |

34.1 Amount of payments for legal expenses, if any? $ 216,325

34.2 List the name of the firm and the amount paid if any such payment represented25% or more of the total payments for legal expenses during the period covered by this statement.

| 1<br>Name | 2<br>Amount Paid |
|---|---|
| | $ |

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

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

| 1<br>Name | 2<br>Amount Paid |
|---|---|
| | $ |

# GENERAL INTERROGATORIES

## PART 2 – HEALTH INTERROGATORIES

| | | |
|---|---|---|
| 1.1 | Does the reporting entity have any direct Medicare Supplement Insurance in force? | Yes [ ] No [X] |
| 1.2 | If yes, indicate premium earned on U.S. business only. | $ 0 |
| 1.3 | What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? | $ 0 |
| 1.31 | Reason for excluding: | |
| | - | |
| 1.4 | Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. | $ 0 |
| 1.5 | Indicate total incurred claims on all Medicare Supplement insurance. | $ 0 |
| 1.6 | Individual policies: | |
| | Most current three years: | |
| 1.61 | Total premium earned | $ 0 |
| 1.62 | Total incurred claims | $ 0 |
| 1.63 | Number of covered lives | $ 0 |
| | All years prior to most current three years: | |
| 1.64 | Total premium earned | $ 0 |
| 1.65 | Total incurred claims | $ 0 |
| 1.66 | Number of covered lives | $ 0 |
| 1.7 | Group policies: | |
| | Most current three years: | |
| 1.71 | Total premium earned | $ 0 |
| 1.72 | Total incurred claims | $ 0 |
| 1.73 | Number of covered lives | $ 0 |
| | All years prior to most current three years: | |
| 1.74 | Total premium earned | $ 0 |
| 1.75 | Total incurred claims | $ 0 |
| 1.76 | Number of covered lives | $ 0 |

2. Health Test:

| | | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|---|
| 2.1 | Premium Numerator | $ 456,425,544 | $ 522,821,386 |
| 2.2 | Premium Denominator | $ 456,425,544 | $ 522,821,386 |
| 2.3 | Premium Ratio (2.1/2.2) | $ 100.000 | $ 100.000 |
| 2.4 | Reserve Numerator | $ 47,906,962 | $ 90,496,479 |
| 2.5 | Reserve Denominator | $ 47,906,962 | $ 91,121,479 |
| 2.6 | Reserve Ratio (2.4/2.5) | $ 100.000 | $ 99.314 |

| | | |
|---|---|---|
| 3.1 | Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? | Yes [ ] No [X] |
| 3.2 | If yes, give particulars: | |
| | - | |
| 4.1 | Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? | Yes [X] No [ ] |
| 4.2 | If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? | Yes [X] No [ ] |
| 5.1 | Does the reporting entity have stop-loss reinsurance? | Yes [X] No [ ] |
| 5.2 | If no, explain: | |
| | - | |
| 5.3 | Maximum retained risk (see instructions) | |
| 5.31 | Comprehensive Medical | $ 0 |
| 5.32 | Medical Only | $ 0 |
| 5.33 | Medicare Supplement | $ 0 |
| 5.34 | Dental and Vision | $ 0 |
| 5.35 | Other Limited Benefit Plan | $ 0 |
| 5.36 | Other | $ 0 |

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

-

# GENERAL INTERROGATORIES

## PART 2 – HEALTH INTERROGATORIES

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

-

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 0

8.2 Number of providers at end of reporting year 0

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees with rate guarantees between 15-36 months $ 0

9.22 Business with rate guarantees over 36 months $ 0

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

10.2 If yes:

10.21 Maximum amount payable bonuses $ 14,110,993

10.22 Amount actually paid for year bonuses $ 20,890,864

10.23 Maximum amount payable withholds $ 0

10.24 Amount actually paid for year withholds $ 0

11.1 Is the reporting entity organized as:

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

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

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

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

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

11.4 If yes, show the amount required. $ 32,243,160

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

11.6 If the amount is calculated, show the calculation
Refer to RBC

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

| 1<br>Name of Service Area |
|---|
| |

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

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

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

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

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

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

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

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

15.1 Direct Premium Written $ 0

15.2 Total Incurred Claims $ 0

15.3 Number of Covered Lives 0

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

# FIVE-YEAR HISTORICAL DATA

| | 1<br>2016 | 2<br>2015 | 3<br>2014 | 4<br>2013 | 5<br>2012 |
|---|---|---|---|---|---|
| **Balance Sheet Items (Pages 2 and 3)** | | | | | |
| 1. Total admitted assets (Page 2, Line 28) | 92,283,909 | 140,028,388 | 80,811,427 | 83,062,073 | 87,530,435 |
| 2. Total liabilities (Page 3, Line 24) | 57,688,581 | 97,858,035 | 49,206,684 | 49,403,332 | 57,896,804 |
| 3. Statutory minimum capital and surplus requirement | 32,243,160 | | | | |
| 4. Total capital and surplus (Page 3, Line 33) | 34,595,328 | 42,170,353 | 31,604,743 | 33,658,741 | 29,633,631 |
| **Income Statement Items (Page 4)** | | | | | |
| 5. Total revenues (Line 8) | 456,425,544 | 522,821,386 | 345,936,422 | 402,747,575 | 415,520,525 |
| 6. Total medical and hospital expenses (Line 18) | 399,870,709 | 453,576,661 | 285,083,717 | 343,468,121 | 348,709,660 |
| 7. Claims adjustment expenses (Line 20) | | | | | |
| 8. Total administrative expenses (Line 21) | 55,682,902 | 71,931,540 | 57,293,835 | 52,276,275 | 45,471,399 |
| 9. Net underwriting gain (loss) (Line 24) | 871,933 | (2,686,815) | 3,558,870 | 7,003,179 | 21,339,466 |
| 10. Net investment gain (loss) (Line 27) | 687,232 | 821,417 | 976,898 | 1,013,736 | 1,651,541 |
| 11. Total other income (Lines 28 plus 29) | 1,372,058 | 92,048 | | | |
| 12. Net income or (loss) (Line 32) | 2,706,004 | (1,773,350) | 2,233,807 | 6,200,059 | 16,877,807 |
| **Cash Flow (Page 6)** | | | | | |
| 13. Net cash from operations (Line 11) | 11,035,101 | 51,809,300 | 1,088,661 | 10,899,589 | 22,357,059 |
| **Risk-Based Capital Analysis** | | | | | |
| 14. Total adjusted capital | 34,595,329 | 42,170,354 | 31,604,743 | 33,658,741 | 29,633,631 |
| 15. Authorized control level risk-based capital | 16,121,580 | 18,696,457 | 12,104,293 | 14,686,311 | 14,889,068 |
| **Enrollment (Exhibit 1)** | | | | | |
| 16. Total members at end of period (Column 5, Line 7) | 147,495 | 180,753 | 31,663 | 40,590 | 38,558 |
| 17. Total member months (Column 6, Line 7) | 1,973,793 | 1,748,928 | 403,791 | 502,137 | 480,691 |
| **Operating Percentage (Page 4)**<br>**(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0** | | | | | |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 19. Total hospital and medical plus other non-health (Line 18 plus Line 19) | 87.6 | 86.8 | 82.4 | 85.3 | 83.9 |
| 20. Cost containment expenses | | | | | |
| 21. Other claims adjustment expenses | | | | | |
| 22. Total underwriting deductions (Line 23) | 99.8 | 100.5 | 99.0 | 98.2 | 94.9 |
| 23. Total underwriting gain (loss) (Line 24) | 0.2 | (0.5) | 1.0 | 1.9 | 5.1 |
| **Unpaid Claims Analysis (U&I Exhibit, Part 2B)** | | | | | |
| 24. Total claims incurred for prior years (Line 13 Col. 5) | 102,288,421 | 38,146,039 | 40,228,318 | 47,038,868 | 54,758,700 |
| 25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)] | 90,496,477 | 39,530,041 | 44,696,315 | 50,312,868 | 56,628,665 |
| **Investments in Parent, Subsidiaries and Affiliates** | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) | | | | | |
| 27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1) | | | | | |
| 28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1) | | | | | |
| 29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10) | | | | | |
| 30. Affiliated mortgage loans on real estate | | | | | |
| 31. All other affiliated | | | | | |
| 32. Total of above Lines 26 to 31 | 0 | 0 | 0 | 0 | 0 |
| 33. Total investment in parent included in Lines 26 to 31 above | | | | | |

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

If no, please explain:

# EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....PMC Medicare Choice,LLC. 2. San Juan, PR

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

NAIC Group Code.....4812

NAIC Company Code.....12178

| | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2 | 3 | | | | | | | |
| | Total | Individual | Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| **Total Members at end of:** | | | | | | | | | | |
| 1. Prior year | 180,753 | | | | | | | 26,350 | 154,403 | |
| 2. First quarter | 174,898 | | | | | | | 22,532 | 152,366 | |
| 3. Second quarter | 170,841 | | | | | | | 20,847 | 149,994 | |
| 4. Third quarter | 147,923 | | | | | | | | 147,923 | |
| 5. Current year | 147,495 | | | | | | | | 147,495 | |
| 6. Current year member months | 1,973,793 | | | | | | | 174,477 | 1,799,316 | |
| **Total Member Ambulatory Encounters for Year:** | | | | | | | | | | |
| 7. Physician | 0 | | | | | | | | | |
| 8. Non-physician | 0 | | | | | | | | | |
| 9. Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital patient days incurred | 62,663 | | | | | | | 26,081 | 36,582 | |
| 11. Number of inpatient admissions | 37,338 | | | | | | | 23,593 | 13,745 | |
| 12. Health premiums written (b) | 0 | | | | | | | | | |
| 13. Life premiums direct | 0 | | | | | | | | | |
| 14. Property/casualty premiums written | 0 | | | | | | | | | |
| 15. Health premiums earned | 456,425,544 | | | | | | | 152,093,384 | 304,332,160 | |
| 16. Property/casualty premiums earned | 0 | | | | | | | | | |
| 17. Amount paid for provision of health care services | 413,329,094 | | | | | | | 131,639,847 | 281,689,247 | |
| 18. Amount incurred for provision of health care services | 399,870,709 | | | | | | | 123,338,213 | 276,532,496 | |

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

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

# Sch. S - Pt. 1 - Sn. 2
# NONE

# Sch. S - Pt. 2
# NONE

# Sch. S - Pt. 3 - Sn. 2
# NONE

# Sch. S - Pt. 4
# NONE

# Sch. S - Pt. 5
# NONE

# Sch. S - Pt. 6
# NONE

# SCHEDULE S - PART 7

## Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

| | | 1<br>As Reported<br>(Net of Ceded) | 2<br>Restatement<br>Adjustments | 3<br>Restated<br>(Gross of Ceded) |
|---|---|---|---|---|
| | **ASSETS (Page 2, Col. 3)** | | | |
| 1. | Cash and invested assets (Line 12) | 87,594,145 | | 87,594,145 |
| 2. | Accident and health premiums due and unpaid (Line 15) | 2,663,548 | | 2,663,548 |
| 3. | Amounts recoverable from reinsurers (Line 16.1) | | | 0 |
| 4. | Net credit for ceded reinsurance | XXX | | 0 |
| 5. | All other admitted assets (balance) | 2,026,210 | | 2,026,210 |
| 6. | Totals assets (Line 28) | 92,283,903 | 0 | 92,283,903 |
| | **LIABILITIES, CAPITAL AND SURPLUS (Page 3)** | | | |
| 7. | Claims unpaid (Line 1) | 33,795,969 | | 33,795,969 |
| 8. | Accrued medical incentive pool and bonus payments (Line 2) | 14,110,993 | | 14,110,993 |
| 9. | Premiums received in advance (Line 8) | | | 0 |
| 10. | Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount) | | | 0 |
| 11. | Reinsurance in unauthorized companies (Line 20 minus inset amount) | | | 0 |
| 12. | Reinsurance with certified reinsurers (Line 20 inset amount) | | | 0 |
| 13. | Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount) | | | 0 |
| 14. | All other liabilities (balance) | 9,781,612 | | 9,781,612 |
| 15. | Total liabilities (Line 24) | 57,688,574 | 0 | 57,688,574 |
| 16. | Total capital and surplus (Line 33) | 34,595,329 | XXX | 34,595,329 |
| 17. | Total liabilities, capital and surplus (Line 34) | 92,283,903 | 0 | 92,283,903 |
| | **NET CREDIT FOR CEDED REINSURANCE** | | | |
| 18. | Claims unpaid | 0 | | |
| 19. | Accrued medical incentive pool | 0 | | |
| 20. | Premiums received in advance | 0 | | |
| 21. | Reinsurance recoverable on paid losses | 0 | | |
| 22. | Other ceded reinsurance recoverables | 0 | | |
| 23. | Total ceded reinsurance recoverables | 0 | | |
| 24. | Premiums receivable | 0 | | |
| 25. | Funds held under reinsurance treaties with authorized and unauthorized reinsurers | 0 | | |
| 26. | Unauthorized reinsurance | 0 | | |
| 27. | Reinsurance with certified reinsurers | 0 | | |
| 28. | Funds held under reinsurance treaties with certified reinsurers | 0 | | |
| 29. | Other ceded reinsurance payables/offsets | 0 | | |
| 30. | Total ceded reinsurance payables/offsets | 0 | | |
| 31. | Total net credit for ceded reinsurance | 0 | | |

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

| | 1 | Direct Business Only | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| State, Etc. | Active Status | Accident & Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Plan Premiums | Life & Annuity Premiums and Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit-Type Contracts |
| 1. Alabama AL | N | | | | | | | 0 | |
| 2. Alaska AK | N | | | | | | | 0 | |
| 3. Arizona AZ | N | | | | | | | 0 | |
| 4. Arkansas AR | N | | | | | | | 0 | |
| 5. California CA | N | | | | | | | 0 | |
| 6. Colorado CO | N | | | | | | | 0 | |
| 7. Connecticut CT | N | | | | | | | 0 | |
| 8. Delaware DE | N | | | | | | | 0 | |
| 9. District of Columbia DC | N | | | | | | | 0 | |
| 10. Florida FL | N | | | | | | | 0 | |
| 11. Georgia GA | N | | | | | | | 0 | |
| 12. Hawaii HI | N | | | | | | | 0 | |
| 13. Idaho ID | N | | | | | | | 0 | |
| 14. Illinois IL | N | | | | | | | 0 | |
| 15. Indiana IN | N | | | | | | | 0 | |
| 16. Iowa IA | N | | | | | | | 0 | |
| 17. Kansas KS | N | | | | | | | 0 | |
| 18. Kentucky KY | N | | | | | | | 0 | |
| 19. Louisiana LA | N | | | | | | | 0 | |
| 20. Maine ME | N | | | | | | | 0 | |
| 21. Maryland MD | N | | | | | | | 0 | |
| 22. Massachusetts MA | N | | | | | | | 0 | |
| 23. Michigan MI | N | | | | | | | 0 | |
| 24. Minnesota MN | N | | | | | | | 0 | |
| 25. Mississippi MS | N | | | | | | | 0 | |
| 26. Missouri MO | N | | | | | | | 0 | |
| 27. Montana MT | N | | | | | | | 0 | |
| 28. Nebraska NE | N | | | | | | | 0 | |
| 29. Nevada NV | N | | | | | | | 0 | |
| 30. New Hampshire NH | N | | | | | | | 0 | |
| 31. New Jersey NJ | N | | | | | | | 0 | |
| 32. New Mexico NM | N | | | | | | | 0 | |
| 33. New York NY | N | | | | | | | 0 | |
| 34. North Carolina NC | N | | | | | | | 0 | |
| 35. North Dakota ND | N | | | | | | | 0 | |
| 36. Ohio OH | N | | | | | | | 0 | |
| 37. Oklahoma OK | N | | | | | | | 0 | |
| 38. Oregon OR | N | | | | | | | 0 | |
| 39. Pennsylvania PA | N | | | | | | | 0 | |
| 40. Rhode Island RI | N | | | | | | | 0 | |
| 41. South Carolina SC | N | | | | | | | 0 | |
| 42. South Dakota SD | N | | | | | | | 0 | |
| 43. Tennessee TN | N | | | | | | | 0 | |
| 44. Texas TX | N | | | | | | | 0 | |
| 45. Utah UT | N | | | | | | | 0 | |
| 46. Vermont VT | N | | | | | | | 0 | |
| 47. Virginia VA | N | | | | | | | 0 | |
| 48. Washington WA | N | | | | | | | 0 | |
| 49. West Virginia WV | N | | | | | | | 0 | |
| 50. Wisconsin WI | N | | | | | | | 0 | |
| 51. Wyoming WY | N | | | | | | | 0 | |
| 52. American Samoa AS | N | | | | | | | 0 | |
| 53. Guam GU | N | | | | | | | 0 | |
| 54. Puerto Rico PR | L | | 152,093,384 | 304,332,160 | | | | 456,425,544 | |
| 55. U.S. Virgin Islands VI | N | | | | | | | 0 | |
| 56. Northern Mariana Islands MP | N | | | | | | | 0 | |
| 57. Canada CAN | N | | | | | | | 0 | |
| 58. Aggregate Other alien OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Subtotal | XXX | 0 | 152,093,384 | 304,332,160 | 0 | 0 | 0 | 456,425,544 | 0 |
| 60. Reporting entity contributions for Employee Benefit Plans | XXX | | | | | | | 0 | |
| 61. Total (Direct Business) | (a) 1 | 0 | 152,093,384 | 304,332,160 | 0 | 0 | 0 | 456,425,544 | 0 |

DETAILS OF WRITE-INS

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

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

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

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

# SCHEDULE T - PART 2

# INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

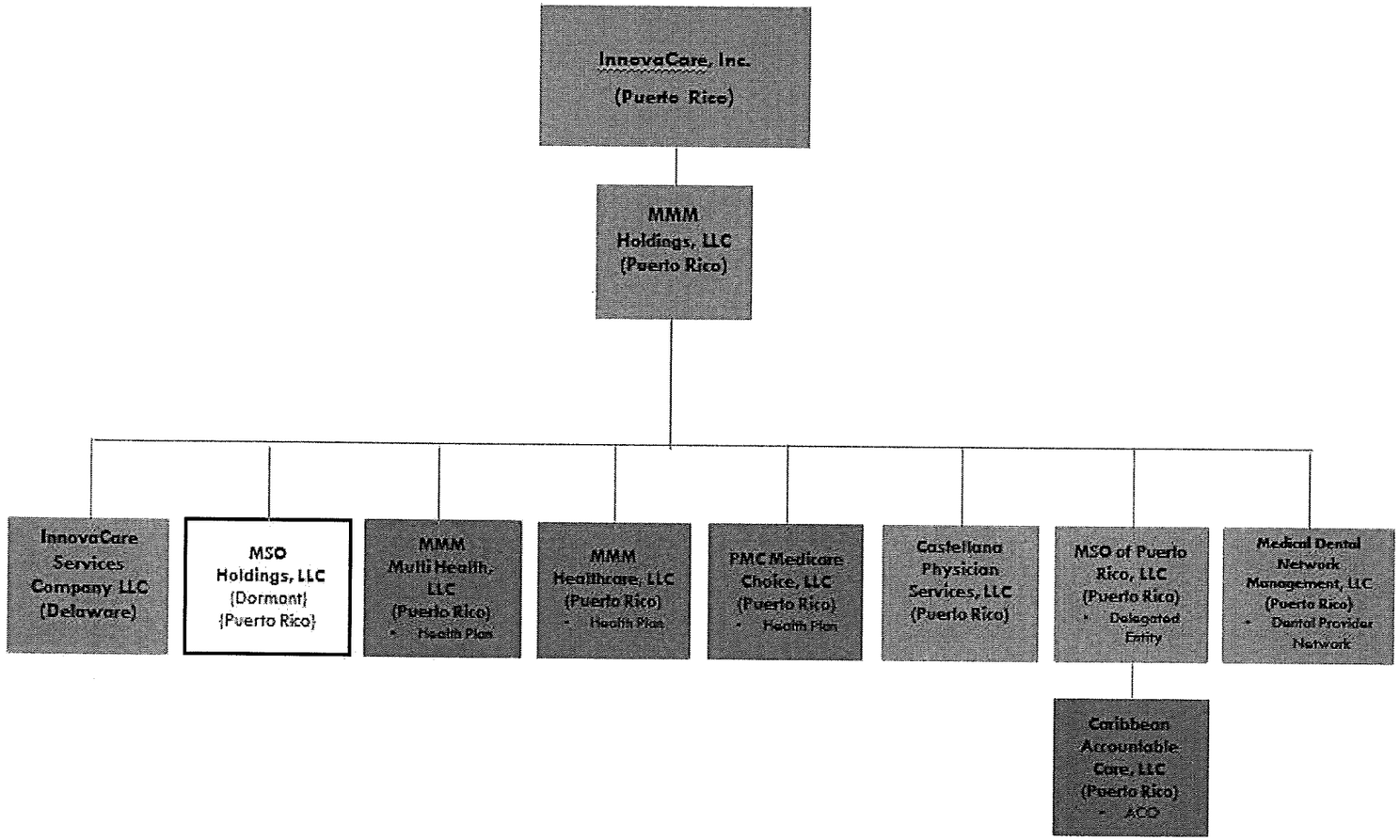
Allocated by States and Territories

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

NONE

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

## PART 1 – ORGANIZATIONAL CHART



# SCHEDULE Y

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

| 1<br>Group Code | 2<br>Group Name | 3<br>NAIC Company Code | 4<br>ID Number | 5<br>Federal RSSD | 6<br>CIK | 7<br>Name of Securities Exchange if Publicly Traded (U.S. or International) | 8<br>Names of Parent, Subsidiaries or Affiliates | 9<br>Domiciliary Location | 10<br>Relationship to Reporting Entity | 11<br>Directly Controlled by (Name of Entity/Person) | 12<br>Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other) | 13<br>If Control is Ownership Provide Percentage | 14<br>Ultimate Controlling Entity(ies)/Person(s) | 15<br>Is an SCA Filing Required? (Y/N) | 16<br>* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Members** | | | | | | | | | | | | | | | |
| | | 00000 | 66-0794203 | | | | InnovaCare, Inc. | PR | UDP | | | | | N | |
| | | 00000 | 66-0649625 | | | | MMM Holding, LLC | PR | UDP | InnovaCare, Inc. | Ownership | 1.000 | InnovaCare, Inc. | N | |
| | | 00000 | 46-1717639 | | | | Innovacare Services Company, LLC | DE | NIA | MMM Holding, LLC | Ownership | 1.000 | InnovaCare, Inc. | N | |
| 4812 | | 12534 | 66-0653763 | | | | MMM Multi Health, LLC | PR | IA | MMM Holding, LLC | Ownership | 1.000 | InnovaCare, Inc. | Y | |
| 4812 | | 11157 | 66-0588600 | | | | MMM Heatlcare, LLC | PR | IA | MMM Holding, LLC | Ownership | 1.000 | InnovaCare, Inc. | Y | |
| 4812 | | 12178 | 66-0592131 | | | | PMC Medicare Choice, LLC | PR | RE | MMM Holding, LLC | Ownership | 1.000 | InnovaCare, Inc. | Y | |
| | | 00000 | 66-0554720 | | | | Castellana Physician Services, LLC | PR | NIA | MMM Holding, LLC | Ownership | 1.000 | InnovaCare, Inc. | N | |
| | | 00000 | 66-0719637 | | | | MSO of Puerto Rico, LLC | PR | NIA | MMM Holding, LLC | Ownership | 1.000 | InnovaCare, Inc. | N | |
| | | 00000 | 66-0823267 | | | | Medical Dental Network Managament, LLC | PR | NIA | MMM Holding, LLC | Ownership | 1.000 | InnovaCare, Inc. | N | |
| | | 00000 | 66-0787011 | | | | Carbbean Accountable Care, LLC | PR | NIA | MSO of Puerto Rico, LLC | Ownership | 1.000 | InnovaCare, Inc. | N | |

# SCHEDULE Y

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

| 1<br>NAIC Company Code | 2<br>ID Number | 3<br>Names of Insurers and Parent, Subsidiaries or Affiliates | 4<br>Shareholder Dividends | 5<br>Capital Contributions | 6<br>Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments | 7<br>Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s) | 8<br>Management Agreements and Service Contracts | 9<br>Income/ (Disbursements) Incurred under Reinsurance Agreements | 10<br>* | 11<br>Any Other Material Activity Not in the Ordinary Course of the Insurer's Business | 12<br>Totals | 13<br>Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Affiliated Transactions** | | | | | | | | | | | | |
| | 66-0649625 | MMM Holdings, LLC | 9,594,000 | (2,700,000) | | | 44,328,242 | | | | 51,222,242 | |
| | 66-0719637 | MSO of Puerto Rico, LLC | | | | | 6,083,735 | | | | 6,083,735 | |
| 12178 | 66-0592131 | PMC Medicare Choice, LLC | (9,594,000) | 2,700,000 | | | (50,411,977) | | | | (57,305,977) | |
| 9999999. | Control Totals | | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0 | 0 |

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

| | Responses |
|---|---|
| **MARCH FILING** | |
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? | WAIVED |
| 2. Will an actuarial opinion be filed by March 1? | SEE EXPLANATION |
| 3. Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1? | SEE EXPLANATION |
| 4. Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1? | SEE EXPLANATION |
| **APRIL FILING** | |
| 5. Will the Management's Discussion and Analysis be filed by April 1? | YES |
| 6. Will the Supplemental Investment Risk Interrogatories be filed by April 1? | YES |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? | YES |
| **JUNE FILING** | |
| 8. Will an audited financial report be filed by June 1? | YES |
| 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | YES |
| **AUGUST FILING** | |
| 10. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? | YES |

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

| | |
|---|---|
| **MARCH FILING** | |
| 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? | NO |
| 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? | NO |
| 13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? | NO |
| 14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? | NO |
| 15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | NO |
| 16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | SEE EXPLANATION |
| 17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? | NO |
| 18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? | NO |
| 19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? | NO |
| 20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? | NO |
| **APRIL FILING** | |
| 21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? | NO |
| 22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? | NO |
| 23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? | NO |
| 24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? | NO |
| 25. Will the regulator-only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1? | NO |
| **AUGUST FILING** | |
| 26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | YES |

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

**EXPLANATIONS:**

**BAR CODE:**

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11. The data for this supplement is not required to be filed.

12. The data for this supplement is not required to be filed.

13. The data for this supplement is not required to be filed.

14. The data for this supplement is not required to be filed.

15. The data for this supplement is not required to be filed.

16.

17. The data for this supplement is not required to be filed.

18. The data for this supplement is not required to be filed.

19. The data for this supplement is not required to be filed.

20. The data for this supplement is not required to be filed.

21. The data for this supplement is not required to be filed.

22. The data for this supplement is not required to be filed.

23. The data for this supplement is not required to be filed.

24. The data for this supplement is not required to be filed.

25. The data for this supplement is not required to be filed.

26.

# Overflow Page for Write-Ins

## Additional Write-ins for Assets:

| | Current Statement Date 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 December 31, Prior Year Net Admitted Assets |
|---|---|---|---|---|
| 2504. Advance to Providers | 942,312 | 942,312 | 0 | 1,344,360 |
| 2505. Other Assets, net | 383,729 | | 383,729 | |
| 2506. Risk Sharing | | | 0 | 7,299,788 |
| 2597. Summary of remaining write-ins for Line 25 | 1,326,041 | 942,312 | 383,729 | 8,644,148 |

## Additional Write-ins for Liabilities:

| | Current Period 1 Covered | 2 Uncovered | 3 Total | Prior Year 4 Total |
|---|---|---|---|---|
| 2304. Due to ASES | | | 0 | 844,444 |
| 2397. Summary of remaining write-ins for Line 23 | 0 | 0 | 0 | 844,444 |

## Additional Write-ins for Nonadmitted Assets:

| | 1 Current Year Total Nonadmitted Assets | 2 Prior Year Total Nonadmitted Assets | 3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
|---|---|---|---|
| 1104. Plan to Plan Receivable | | 6,453 | 6,453 |
| 1197. Summary of remaining write-ins for Line 11 | 0 | 6,453 | 6,453 |

# Overflow Page for Write-Ins

# NONE

# SUMMARY INVESTMENT SCHEDULE

| Investment Categories | Gross Investment Holdings 1 Amount | 2 Percentage | Admitted Assets as Reported in the Annual Statement 3 Amount | 4 Securities Lending Reinvested Collateral Amount | 5 Total (Col. 3 + 4) Amount | 6 Percentage |
|---|---|---|---|---|---|---|
| 1. Bonds: | | | | | | |
| 1.1 U.S. treasury securities | 11,740,641 | 13.4 | 11,740,641 | | 11,740,641 | 13.4 |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities): | | | | | | |
| 1.21 Issued by U.S. government agencies | | 0.0 | | | 0 | 0.0 |
| 1.22 Issued by U.S. government sponsored agencies | | 0.0 | | | 0 | 0.0 |
| 1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities) | | 0.0 | | | 0 | 0.0 |
| 1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.: | | | | | | |
| 1.41 States, territories and possessions general obligations | | 0.0 | | | 0 | 0.0 |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations | | 0.0 | | | 0 | 0.0 |
| 1.43 Revenue and assessment obligations | 4,992,950 | 5.7 | 4,992,950 | | 4,992,950 | 5.7 |
| 1.44 Industrial development and similar obligations | | 0.0 | | | 0 | 0.0 |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS): | | | | | | |
| 1.51 Pass-through securities: | | | | | | |
| 1.511 Issued or guaranteed by GNMA | | 0.0 | | | 0 | 0.0 |
| 1.512 Issued or guaranteed by FNMA and FHLMC | 5,944,533 | 6.8 | 5,944,533 | | 5,944,533 | 6.8 |
| 1.513 All other | | 0.0 | | | 0 | 0.0 |
| 1.52 CMOs and REMICs: | | | | | | |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA | | 0.0 | | | 0 | 0.0 |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521 | | 0.0 | | | 0 | 0.0 |
| 1.523 All other | 720,104 | 0.8 | 720,104 | | 720,104 | 0.8 |
| 2. Other debt and other fixed income securities (excluding short-term): | | | | | | |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) | 9,156,627 | 10.5 | 9,156,627 | | 9,156,627 | 10.5 |
| 2.2 Unaffiliated non-U.S. securities (including Canada) | 499,789 | 0.6 | 499,789 | | 499,789 | 0.6 |
| 2.3 Affiliated securities | | 0.0 | | | 0 | 0.0 |
| 3. Equity interests: | | | | | | |
| 3.1 Investments in mutual funds | | 0.0 | | | 0 | 0.0 |
| 3.2 Preferred stocks: | | | | | | |
| 3.21 Affiliated | | 0.0 | | | 0 | 0.0 |
| 3.22 Unaffiliated | | 0.0 | | | 0 | 0.0 |
| 3.3 Publicly traded equity securities (excluding preferred stocks): | | | | | | |
| 3.31 Affiliated | | 0.0 | | | 0 | 0.0 |
| 3.32 Unaffiliated | | 0.0 | | | 0 | 0.0 |
| 3.4 Other equity securities: | | | | | | |
| 3.41 Affiliated | | 0.0 | | | 0 | 0.0 |
| 3.42 Unaffiliated | | 0.0 | | | 0 | 0.0 |
| 3.5 Other equity interests including tangible personal property under lease: | | | | | | |
| 3.51 Affiliated | | 0.0 | | | 0 | 0.0 |
| 3.52 Unaffiliated | | 0.0 | | | 0 | 0.0 |
| 4. Mortgage loans: | | | | | | |
| 4.1 Construction and land development | | 0.0 | | | 0 | 0.0 |
| 4.2 Agricultural | | 0.0 | | | 0 | 0.0 |
| 4.3 Single family residential properties | | 0.0 | | | 0 | 0.0 |
| 4.4 Multifamily residential properties | | 0.0 | | | 0 | 0.0 |
| 4.5 Commercial loans | | 0.0 | | | 0 | 0.0 |
| 4.6 Mezzanine real estate loans | | 0.0 | | | 0 | 0.0 |
| 5. Real estate investments: | | | | | | |
| 5.1 Property occupied by company | | 0.0 | | | 0 | 0.0 |
| 5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt) | | 0.0 | | | 0 | 0.0 |
| 5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt) | | 0.0 | | | 0 | 0.0 |
| 6. Contract loans | | 0.0 | | | 0 | 0.0 |
| 7. Derivatives | | 0.0 | | | 0 | 0.0 |
| 8. Receivables for securities | | 0.0 | | | 0 | 0.0 |
| 9. Securities lending (Line 10, Asset Page reinvested collateral) | | 0.0 | | XXX | XXX | XXX |
| 10. Cash, cash equivalents and short-term investments | 54,539,502 | 62.3 | 54,539,502 | | 54,539,502 | 62.3 |
| 11. Other invested assets | | 0.0 | | | 0 | 0.0 |
| 12. Total invested assets | 87,594,144 | 100.0 | 87,594,144 | 0 | 87,594,144 | 100.0 |

# 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) | | 0 |
| 3. | Current year change in encumbrances: | | |
| | 3.1 Totals, Part 1, Column 13 | | |
| | 3.2 Totals, Part 3, Column 11 | | 0 |
| 4. | Total gain (loss) on disposals, Part 3, Column 18 | | |
| 5. | Deduct amounts received on disposals, Part 3, Column 15 | | |
| 6. | Total foreign exchange change in book/adjusted carrying value: | | |
| | 6.1 Totals, Part 1, Column 15 | | |
| | 6.2 Totals, Part 3, Column 13 | | 0 |
| 7. | Deduct current year's other-than-temporary impairment recognized: | | |
| | 7.1 Totals, Part 1, Column 12 | | |
| | 7.2 Totals, Part 3, Column 10 | | 0 |
| 8. | Deduct current year's depreciation: | | |
| | 8.1 Totals, Part 1, Column 11 | | |
| | 8.2 Totals, Part 3, Column 9 | | 0 |
| 9. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8) | | 0 |
| 10. | Deduct total nonadmitted amounts | | |
| 11. | Statement value at end of current period (Line 9 minus Line 10) | | 0 |

NONE

# SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

| | | | |
|---|---|---|---|
| 1. | Book value/recorded investment excluding accrued interest, December 31 of prior year | | |
| 2. | Cost of acquired: | | |
| | 2.1 Actual cost at time of acquisition (Part 2, Column 7) | | |
| | 2.2 Additional investment made after acquisition (Part 2, Column 8) | | 0 |
| 3. | Capitalized deferred interest and other: | | |
| | 3.1 Totals, Part 1, Column 12 | | |
| | 3.2 Totals, Part 3, Column 11 | | 0 |
| 4. | Accrual of discount | | |
| 5. | Unrealized valuation increase (decrease): | | |
| | 5.1 Totals, Part 1, Column 9 | | |
| | 5.2 Totals, Part 3, Column 8 | | 0 |
| 6. | Total gain (loss) on disposals, Part 3, Column 18 | | |
| 7. | Deduct amounts received on disposals, Part 3, Column 15 | | |
| 8. | Deduct amortization of premium and mortgage interest points and commitment fees | | |
| 9. | Total foreign exchange change in book value/recorded investment excluding accrued interest: | | |
| | 9.1 Totals, Part 1, Column 13 | | |
| | 9.2 Totals, Part 3, Column 13 | | 0 |
| 10. | Deduct current year's other-than-temporary impairment recognized: | | |
| | 10.1 Totals, Part 1, Column 11 | | |
| | 10.2 Totals, Part 3, Column 10 | | 0 |
| 11. | Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | | 0 |
| 12. | Total valuation allowance | | |
| 13. | Subtotal (Line 11 plus Line 12) | | 0 |
| 14. | Deduct total nonadmitted amounts | | |
| 15. | Statement value at end of current period (Line 13 minus Line 14) | | 0 |

NONE

# SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

NONE

| | | | |
|---|---|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | | |
| 2. | Cost of acquired: | | |
| 2.1 | Actual cost at time of acquisition (Part 2, Column 8) | | |
| 2.2 | Additional investment made after acquisition (Part 2, Column 9) | | 0 |
| 3. | Capitalized deferred interest and other: | | |
| 3.1 | Totals, Part 1, Column 16 | | |
| 3.2 | Totals, Part 3, Column 12 | | 0 |
| 4. | Accrual of discount | | |
| 5. | Unrealized valuation increase (decrease): | | |
| 5.1 | Totals, Part 1, Column 13 | | |
| 5.2 | Totals, Part 3, Column 9 | | 0 |
| 6. | Total gain (loss) on disposals, Part 3, Column 19 | | |
| 7. | Deduct amounts received on disposals, Part 3, Column 16 | | |
| 8. | Deduct amortization of premium and depreciation | | |
| 9. | Total foreign exchange change in book/adjusted carrying value: | | |
| 9.1 | Totals, Part 1, Column 17 | | |
| 9.2 | Totals, Part 3, Column 14 | | 0 |
| 10. | Deduct current year's other-than-temporary impairment recognized: | | |
| 10.1 | Totals, Part 1, Column 15 | | |
| 10.2 | Totals, Part 3, Column 11 | | 0 |
| 11. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | | 0 |
| 12. | Deduct total nonadmitted amounts | | |
| 13. | Statement value at end of current period (Line 11 minus Line 12) | | 0 |

# SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

| | | | |
|---|---|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | | 47,820,394 |
| 2. | Cost of bonds and stocks acquired, Part 3, Column 7 | | 30,255,042 |
| 3. | Accrual of discount | | 13,550 |
| 4. | Unrealized valuation increase (decrease): | | |
| 4.1 | Part 1, Column 12 | | |
| 4.2 | Part 2, Section 1, Column 15 | | |
| 4.3 | Part 2, Section 2, Column 13 | | |
| 4.4 | Part 4, Column 11 | (726) | (726) |
| 5. | Total gain (loss) on disposals, Part 4, Column 19 | | 170 |
| 6. | Deduct consideration for bonds and stocks disposed of, Part 4, Column 7 | | 44,936,704 |
| 7. | Deduct amortization of premium | | 97,084 |
| 8. | Total foreign exchange change in book/adjusted carrying value: | | |
| 8.1 | Part 1, Column 15 | | |
| 8.2 | Part 2, Section 1, Column 19 | | |
| 8.3 | Part 2, Section 2, Column 16 | | |
| 8.4 | Part 4, Column 15 | | 0 |
| 9. | Deduct current year's other-than-temporary impairment recognized: | | |
| 9.1 | Part 1, Column 14 | | |
| 9.2 | Part 2, Section 1, Column 17 | | |
| 9.3 | Part 2, Section 2, Column 14 | | |
| 9.4 | Part 4, Column 13 | | 0 |
| 10. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | | 33,054,642 |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | | 33,054,642 |

# SCHEDULE D - SUMMARY BY COUNTRY

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

| Description | | 1<br>Book/Adjusted Carrying Value | 2<br>Fair Value | 3<br>Actual Cost | 4<br>Par Value of Bonds |
|---|---|---|---|---|---|
| **BONDS** | 1. United States | 11,740,641 | 11,684,609 | 11,745,615 | 11,750,000 |
| Governments (Including all obligations guaranteed by governments) | 2. Canada | | | | |
| | 3. Other Countries | | | | |
| | 4. Totals | 11,740,641 | 11,684,609 | 11,745,615 | 11,750,000 |
| U.S. States, Territories and Possessions (Direct and guaranteed) | 5. Totals | | | | |
| U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed) | 6. Totals | | | | |
| 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 | 10,937,482 | 10,775,013 | 10,944,894 | 10,691,638 |
| Industrial and Miscellaneous, SVO Identified Funds and Hybrid Securities (unaffiliated) | 8. United States | 9,876,730 | 9,815,364 | 9,892,386 | 9,795,000 |
| | 9. Canada | 499,789 | 499,917 | 499,785 | 500,000 |
| | 10. Other Countries | | | | |
| | 11. Totals | 10,376,519 | 10,315,281 | 10,392,171 | 10,295,000 |
| Parent, Subsidiaries and Affiliates | 12. Totals | | | | |
| | **13. Total Bonds** | 33,054,642 | 32,774,903 | 33,082,680 | 32,736,638 |
| **PREFERRED STOCKS** | 14. United States | | | | |
| Industrial and Miscellaneous (Unaffiliated) | 15. Canada | | | | |
| | 16. Other Countries | | | | |
| | 17. Totals | 0 | 0 | 0 | |
| Parent, Subsidiaries and Affiliates | 18. Totals | | | | |
| | **19. Total Preferred Stocks** | 0 | 0 | 0 | |
| **COMMON STOCKS** | 20. United States | | | | |
| Industrial and Miscellaneous (Unaffiliated) | 21. Canada | | | | |
| | 22. Other Countries | | | | |
| | 23. Totals | 0 | 0 | 0 | |
| Parent, Subsidiaries and Affiliates | 24. Totals | | | | |
| | **25. Total Common Stocks** | 0 | 0 | 0 | |
| | **26. Total Stocks** | 0 | 0 | 0 | |
| | **27. Total Bonds and Stocks** | 33,054,642 | 32,774,903 | 33,082,680 | |

# SCHEDULE D - PART 1A - SECTION 1

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

| NAIC Designation | 1<br>1 Year or Less | 2<br>Over 1 Year Through 5 Years | 3<br>Over 5 Years Through 10 Years | 4<br>Over 10 Years Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity Date | 7<br>Total Current Year | 8<br>Column 7 as a % of Line 10.7 | 9<br>Total from Column 6 Prior Year | 10<br>% from Col. 7 Prior Year | 11<br>Total Publicly Traded | 12<br>Total Privately Placed (a) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1. U.S. Governments** | | | | | | | | | | | | |
| 1.1 NAIC 1 | 45,861,690 | 10,241,403 | | | | XXX | 56,103,093 | 72.2 | 47,641,177 | 57.0 | 56,103,093 | |
| 1.2 NAIC 2 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 1.3 NAIC 3 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 1.4 NAIC 4 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 1.5 NAIC 5 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 1.6 NAIC 6 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 1.7 Totals | 45,861,690 | 10,241,403 | 0 | 0 | 0 | XXX | 56,103,093 | 72.2 | 47,641,177 | 57.0 | 56,103,093 | 0 |
| **2. All Other Governments** | | | | | | | | | | | | |
| 2.1 NAIC 1 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.2 NAIC 2 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.3 NAIC 3 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.4 NAIC 4 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.5 NAIC 5 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.6 NAIC 6 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.7 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| **3. U.S. States, Territories and Possessions, etc., Guaranteed** | | | | | | | | | | | | |
| 3.1 NAIC 1 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.2 NAIC 2 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.3 NAIC 3 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.4 NAIC 4 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.5 NAIC 5 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.6 NAIC 6 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.7 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| **4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed** | | | | | | | | | | | | |
| 4.1 NAIC 1 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.2 NAIC 2 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.3 NAIC 3 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.4 NAIC 4 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.5 NAIC 5 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.6 NAIC 6 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.7 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| **5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed** | | | | | | | | | | | | |
| 5.1 NAIC 1 | 894,764 | 7,480,460 | 1,439,181 | 880,297 | 242,780 | XXX | 10,937,482 | 14.1 | 9,890,057 | 11.8 | 10,937,482 | |
| 5.2 NAIC 2 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 5.3 NAIC 3 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 5.4 NAIC 4 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 5.5 NAIC 5 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 5.6 NAIC 6 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 5.7 Totals | 894,764 | 7,480,460 | 1,439,181 | 880,297 | 242,780 | XXX | 10,937,482 | 14.1 | 9,890,057 | 11.8 | 10,937,482 | 0 |

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

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

| NAIC Designation | 1<br>1 Year or Less | 2<br>Over 1 Year Through 5 Years | 3<br>Over 5 Years Through 10 Years | 4<br>Over 10 Years Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity Date | 7<br>Total Current Year | 8<br>Column 7 as a % of Line 10.7 | 9<br>Total from Column 6 Prior Year | 10<br>% from Col. 7 Prior Year | 11<br>Total Publicly Traded | 12<br>Total Privately Placed (a) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6. **Industrial and Miscellaneous (unaffiliated)** | | | | | | | | | | | | |
| 6.1 NAIC 1 | 1,758,339 | 7,364,710 | | | | XXX | 9,123,049 | 11.7 | 20,579,351 | 24.6 | 8,373,145 | 749,904 |
| 6.2 NAIC 2 | | 1,503,601 | | | | XXX | 1,503,601 | 1.9 | 5,425,779 | 6.5 | 1,503,601 | |
| 6.3 NAIC 3 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 6.4 NAIC 4 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 6.5 NAIC 5 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 6.6 NAIC 6 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 6.7 Totals | 1,758,339 | 8,868,311 | 0 | 0 | 0 | XXX | 10,626,650 | 13.7 | 26,005,130 | 31.1 | 9,876,746 | 749,904 |
| 7. **Hybrid Securities** | | | | | | | | | | | | |
| 7.1 NAIC 1 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.2 NAIC 2 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.3 NAIC 3 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.4 NAIC 4 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.5 NAIC 5 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.6 NAIC 6 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.7 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| 8. **Parent, Subsidiaries and Affiliates** | | | | | | | | | | | | |
| 8.1 NAIC 1 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.2 NAIC 2 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.3 NAIC 3 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.4 NAIC 4 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.5 NAIC 5 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.6 NAIC 6 | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.7 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| 9. **SVO Identified Funds** | | | | | | | | | | | | |
| 9.1 NAIC 1 | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | | |
| 9.2 NAIC 2 | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | | |
| 9.3 NAIC 3 | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | | |
| 9.4 NAIC 4 | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | | |
| 9.5 NAIC 5 | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | | |
| 9.6 NAIC 6 | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | | |
| 9.7 Totals | XXX | XXX | XXX | XXX | XXX | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |

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

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

| NAIC Designation | 1<br>1 Year or Less | 2<br>Over 1 Year Through 5 Years | 3<br>Over 5 Years Through 10 Years | 4<br>Over 10 Years Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity Date | 7<br>Total Current Year | 8<br>Column 7 as a % of Line 10.7 | 9<br>Total from Column 6 Prior Year | 10<br>% from Col. 7 Prior Year | 11<br>Total Publicly Traded | 12<br>Total Privately Placed (a) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **10. Total Bonds Current Year** | | | | | | | | | | | | |
| 10.1 NAIC 1 | (d) 48,514,793 | 25,086,573 | 1,439,181 | 880,297 | 242,780 | 0 | 76,163,624 | 98.1 | XXX | XXX | 75,413,720 | 749,904 |
| 10.2 NAIC 2 | (d) 0 | 1,503,601 | 0 | 0 | 0 | 0 | 1,503,601 | 1.9 | XXX | XXX | 1,503,601 | 0 |
| 10.3 NAIC 3 | (d) 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 10.4 NAIC 4 | (d) 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 10.5 NAIC 5 | (d) 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 10.6 NAIC 6 | (d) 0 | 0 | 0 | 0 | 0 | 0 | (c) 0 | 0.0 | XXX | XXX | 0 | 0 |
| 10.7 Totals | 48,514,793 | 26,590,174 | 1,439,181 | 880,297 | 242,780 | 0 | (c) 0 | 0.0 | XXX | XXX | 0 | 0 |
| 10.8 Line 10.7 as a % of Col. 7 | 62.5 | 34.2 | 1.9 | 1.1 | 0.3 | 0.0 | (b) 77,667,225 | 100.0 | XXX | XXX | 76,917,321 | 749,904 |
| **11. Total Bonds Prior Year** | | | | | | | 100.0 | XXX | XXX | XXX | 99.0 | 1.0 |
| 11.1 NAIC 1 | 46,553,449 | 29,333,598 | 1,680,639 | 455,957 | 86,942 | XXX | XXX | XXX | 78,110,585 | 93.5 | 75,821,643 | 2,288,942 |
| 11.2 NAIC 2 | 1,727,000 | 3,698,779 | | | | XXX | XXX | XXX | 5,425,779 | 6.5 | 4,176,082 | 1,249,697 |
| 11.3 NAIC 3 | | | | | | XXX | XXX | XXX | 0 | 0.0 | | |
| 11.4 NAIC 4 | | | | | | XXX | XXX | XXX | 0 | 0.0 | | |
| 11.5 NAIC 5 | | | | | | XXX | XXX | XXX | (c) 0 | 0.0 | | |
| 11.6 NAIC 6 | | | | | | XXX | XXX | XXX | (c) 0 | 0.0 | | |
| 11.7 Totals | 48,280,449 | 33,032,377 | 1,680,639 | 455,957 | 86,942 | XXX | XXX | XXX | (b) 83,536,364 | 100.0 | 79,997,725 | 3,538,639 |
| 11.8 Line 11.7 as a % of Col. 9 | 57.8 | 39.5 | 2.0 | 0.5 | 0.1 | XXX | XXX | XXX | 100.0 | XXX | 95.8 | 4.2 |
| **12. Total Publicly Traded Bonds** | | | | | | | | | | | | |
| 12.1 NAIC 1 | 47,764,889 | 25,086,573 | 1,439,181 | 880,297 | 242,780 | | 75,413,720 | 97.1 | 75,821,643 | 90.8 | 75,413,720 | XXX |
| 12.2 NAIC 2 | | 1,503,601 | | | | | 1,503,601 | 1.9 | 4,176,082 | 5.0 | 1,503,601 | XXX |
| 12.3 NAIC 3 | | | | | | | 0 | 0.0 | 0 | 0.0 | 0 | XXX |
| 12.4 NAIC 4 | | | | | | | 0 | 0.0 | 0 | 0.0 | 0 | XXX |
| 12.5 NAIC 5 | | | | | | | 0 | 0.0 | 0 | 0.0 | 0 | XXX |
| 12.6 NAIC 6 | | | | | | | 0 | 0.0 | 0 | 0.0 | 0 | XXX |
| 12.7 Totals | 47,764,889 | 26,590,174 | 1,439,181 | 880,297 | 242,780 | 0 | 76,917,321 | 99.0 | 79,997,725 | 95.8 | 76,917,321 | XXX |
| 12.8 Line 12.7 as a % of Col. 7 | 62.1 | 34.6 | 1.9 | 1.1 | 0.3 | 0.0 | 100.0 | XXX | XXX | XXX | 100.0 | XXX |
| 12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10 | 61.5 | 34.2 | 1.9 | 1.1 | 0.3 | 0.0 | 99.0 | XXX | XXX | XXX | 99.0 | XXX |
| **13. Total Privately Placed Bonds** | | | | | | | | | | | | |
| 13.1 NAIC 1 | 749,904 | | | | | | 749,904 | 1.0 | 2,288,942 | 2.7 | XXX | 749,904 |
| 13.2 NAIC 2 | | | | | | | 0 | 0.0 | 1,249,697 | 1.5 | XXX | 0 |
| 13.3 NAIC 3 | | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 13.4 NAIC 4 | | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 13.5 NAIC 5 | | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 13.6 NAIC 6 | | | | | | | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 13.7 Totals | 749,904 | 0 | 0 | 0 | 0 | 0 | 749,904 | 1.0 | 3,538,639 | 4.2 | XXX | 749,904 |
| 13.8 Line 13.7 as a % of Col. 7 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | XXX | XXX | XXX | XXX | 100.0 |
| 13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | XXX | XXX | XXX | XXX | 1.0 |

(a) Includes $.....749,904 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 are under regulatory review.

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

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....44,612,583; 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<br>1 Year or Less | 2<br>Over 1 Year Through 5 Years | 3<br>Over 5 Years Through 10 Years | 4<br>Over 10 Years Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity Date | 7<br>Total Current Year | 8<br>Column 7 as a % of Line 10.6 | 9<br>Total from Column 6 Prior Year | 10<br>% from Col. 7 Prior Year | 11<br>Total Publicly Traded | 12<br>Total Privately Placed |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. **U.S. Governments** | | | | | | | | | | | | |
| 1.1 Issuer Obligations | 45,861,690 | 10,241,403 | | | | XXX | 56,103,093 | 72.2 | 47,641,177 | 57.0 | 56,103,093 | |
| 1.2 Residential Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 1.3 Commercial Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 1.4 Other Loan-Backed and Structured Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 1.5 Totals | 45,861,690 | 10,241,403 | 0 | 0 | 0 | XXX | 56,103,093 | 72.2 | 47,641,177 | 57.0 | 56,103,093 | |
| 2. **All Other Governments** | | | | | | | | | | | | |
| 2.1 Issuer Obligations | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.2 Residential Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.3 Commercial Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.4 Other Loan-Backed and Structured Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 2.5 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| 3. **U.S. States, Territories and Possessions, Guaranteed** | | | | | | | | | | | | |
| 3.1 Issuer Obligations | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.2 Residential Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.3 Commercial Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.4 Other Loan-Backed and Structured Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 3.5 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| 4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed** | | | | | | | | | | | | |
| 4.1 Issuer Obligations | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.2 Residential Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.3 Commercial Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.4 Other Loan-Backed and Structured Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 4.5 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| 5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed** | | | | | | | | | | | | |
| 5.1 Issuer Obligations | | 4,992,950 | | | | XXX | 4,992,950 | 6.4 | 3,352,019 | 4.0 | 4,992,950 | |
| 5.2 Residential Mortgage-Backed Securities | 894,764 | 2,487,510 | 1,439,181 | 880,297 | 242,780 | XXX | 5,944,532 | 7.7 | 6,538,038 | 7.8 | 5,944,532 | |
| 5.3 Commercial Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 5.4 Other Loan-Backed and Structured Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 5.5 Totals | 894,764 | 7,480,460 | 1,439,181 | 880,297 | 242,780 | XXX | 10,937,482 | 14.1 | 9,890,057 | 11.8 | 10,937,482 | 0 |
| 6. **Industrial and Miscellaneous (unaffiliated)** | | | | | | | | | | | | |
| 6.1 Issuer Obligations | 1,250,091 | 6,511,679 | | | | XXX | 7,761,770 | 10.0 | 21,327,762 | 25.5 | 7,011,866 | 749,904 |
| 6.2 Residential Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 6.3 Commercial Mortgage-Backed Securities | 8,278 | 711,826 | | | | XXX | 720,104 | 0.9 | 1,663,035 | 2.0 | 720,104 | |
| 6.4 Other Loan-Backed and Structured Securities | 499,970 | 1,644,806 | | | | XXX | 2,144,776 | 2.8 | 3,014,332 | 3.6 | 2,144,776 | |
| 6.5 Totals | 1,758,339 | 8,868,311 | 0 | 0 | 0 | XXX | 10,626,650 | 13.7 | 26,005,129 | 31.1 | 9,876,746 | 749,904 |
| 7. **Hybrid Securities** | | | | | | | | | | | | |
| 7.1 Issuer Obligations | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.2 Residential Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.3 Commercial Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.4 Other Loan-Backed and Structured Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 7.5 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |
| 8. **Parent, Subsidiaries and Affiliates** | | | | | | | | | | | | |
| 8.1 Issuer Obligations | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.2 Residential Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.3 Commercial Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.4 Other Loan-Backed and Structured Securities | | | | | | XXX | 0 | 0.0 | | 0.0 | | |
| 8.5 Totals | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0.0 | 0 | 0.0 | 0 | 0 |

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

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

| Distribution by Type | 1<br>1 Year or Less | 2<br>Over 1 Year Through 5 Years | 3<br>Over 5 Years Through 10 Years | 4<br>Over 10 Years Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity Date | 7<br>Total Current Year | 8<br>Column 7 as a % of Line 10.6 | 9<br>Total from Column 6 Prior Year | 10<br>% from Col. 7 Prior Year | 11<br>Total Publicly Traded | 12<br>Total Privately Placed |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9. **SVO Identified Funds** | | | | | | | | | | | | |
| 9.1 Exchange Traded Funds Identified by the SVO | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | | |
| 9.2 Bond Mutual Funds Identified by the SVO | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | | |
| 9.3 Totals | XXX | XXX | XXX | XXX | XXX | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 10. **Total Bonds Current Year** | | | | | | | | | | | | |
| 10.1 Issuer Obligations | 47,111,781 | 21,746,032 | 0 | 0 | 0 | XXX | 68,857,813 | 88.7 | XXX | XXX | 68,107,909 | 749,904 |
| 10.2 Residential Mortgage-Backed Securities | 894,764 | 2,487,510 | 1,439,181 | 880,297 | 242,780 | XXX | 5,944,532 | 7.7 | XXX | XXX | 5,944,532 | 0 |
| 10.3 Commercial Mortgage-Backed Securities | 8,278 | 711,826 | 0 | 0 | 0 | XXX | 720,104 | 0.9 | XXX | XXX | 720,104 | 0 |
| 10.4 Other Loan-Backed and Structured Securities | 499,970 | 1,644,806 | 0 | 0 | 0 | XXX | 2,144,776 | 2.8 | XXX | XXX | 2,144,776 | 0 |
| 10.5 SVO Identified Funds | XXX | XXX | XXX | XXX | XXX | 0 | 0 | 0.0 | XXX | XXX | 0 | 0 |
| 10.6 Totals | 48,514,793 | 26,590,174 | 1,439,181 | 880,297 | 242,780 | 0 | 77,667,225 | 100.1 | XXX | XXX | 76,917,321 | 749,904 |
| 10.7 Line 10.6 as a % of Col. 7 | 62.5 | 34.2 | 1.9 | 1.1 | 0.3 | 0.0 | 100.0 | XXX | XXX | XXX | 99.0 | 1.0 |
| 11. **Total Bonds Prior Year** | | | | | | | | | | | | |
| 11.1 Issuer Obligations | 46,281,943 | 26,039,015 | | | | XXX | XXX | XXX | 72,320,958 | 86.6 | 68,782,319 | 3,538,639 |
| 11.2 Residential Mortgage-Backed Securities | 1,240,126 | 3,074,374 | 1,680,639 | 455,957 | 86,942 | XXX | XXX | XXX | 6,538,038 | 7.8 | 6,538,038 | |
| 11.3 Commercial Mortgage-Backed Securities | 252,520 | 1,410,515 | | | | XXX | XXX | XXX | 1,663,035 | 2.0 | 1,663,035 | |
| 11.4 Other Loan-Backed and Structured Securities | 505,859 | 2,508,473 | | | | XXX | XXX | XXX | 3,014,332 | 3.6 | 3,014,332 | |
| 11.5 SVO Identified Funds | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 11.6 Totals | 48,280,448 | 33,032,377 | 1,680,639 | 455,957 | 86,942 | XXX | XXX | XXX | 83,536,363 | 100.0 | 79,997,724 | 3,538,639 |
| 11.7 Line 11.6 as a % of Col. 9 | 57.8 | 39.5 | 2.0 | 0.5 | 0.1 | XXX | XXX | XXX | 100.0 | XXX | 95.8 | 4.2 |
| 12. **Total Publicly Traded Bonds** | | | | | | | | | | | | |
| 12.1 Issuer Obligations | 46,361,877 | 21,746,032 | | | | XXX | 68,107,909 | 87.7 | 68,782,319 | 82.3 | 68,107,909 | XXX |
| 12.2 Residential Mortgage-Backed Securities | 894,764 | 2,487,510 | 1,439,181 | 880,297 | 242,780 | XXX | 5,944,532 | 7.7 | 6,538,038 | 7.8 | 5,944,532 | XXX |
| 12.3 Commercial Mortgage-Backed Securities | 8,278 | 711,826 | | | | XXX | 720,104 | 0.9 | 1,663,035 | 2.0 | 720,104 | XXX |
| 12.4 Other Loan-Backed and Structured Securities | 499,970 | 1,644,806 | | | | XXX | 2,144,776 | 2.8 | 3,014,332 | 3.6 | 2,144,776 | XXX |
| 12.5 SVO Identified Funds | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | 0 | XXX |
| 12.6 Totals | 47,764,889 | 26,590,174 | 1,439,181 | 880,297 | 242,780 | 0 | 76,917,321 | 99.1 | 79,997,724 | 95.7 | 76,917,321 | XXX |
| 12.7 Line 12.6 as a % of Col. 7 | 62.1 | 34.6 | 1.9 | 1.1 | 0.3 | 0.0 | 100.0 | XXX | XXX | XXX | 100.0 | XXX |
| 12.8 Line 12.6 as a % of Line 10.6, Col. 7, Section 10 | 61.5 | 34.2 | 1.9 | 1.1 | 0.3 | 0.0 | 99.0 | XXX | XXX | XXX | 99.0 | XXX |
| 13. **Total Privately Placed Bonds** | | | | | | | | | | | | |
| 13.1 Issuer Obligations | 749,904 | | | | | XXX | 749,904 | 1.0 | 3,538,639 | 4.2 | XXX | 749,904 |
| 13.2 Residential Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 13.3 Commercial Mortgage-Backed Securities | | | | | | XXX | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 13.4 Other Loan-Backed and Structured Securities | | | | | | XXX | 0 | 0.0 | 0 | 0.0 | XXX | 0 |
| 13.5 SVO Identified Funds | XXX | XXX | XXX | XXX | XXX | | 0 | 0.0 | XXX | XXX | XXX | 0 |
| 13.6 Totals | 749,904 | 0 | 0 | 0 | 0 | 0 | 749,904 | 1.0 | 3,538,639 | 4.2 | XXX | 749,904 |
| 13.7 Line 13.6 as a % of Col. 7 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | XXX | XXX | XXX | XXX | 100.0 |
| 13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | XXX | XXX | XXX | XXX | 1.0 |

# SCHEDULE DA - VERIFICATION BETWEEN YEARS

## Short-Term Investments

| | 1<br>Total | 2<br>Bonds | 3<br>Mortgage Loans | 4<br>Other Short-term Investment Assets (a) | 5<br>Investments in Parent, Subsidiaries and Affiliates |
|---|---|---|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 35,720,199 | 35,720,199 | | | |
| 2. Cost of short-term investments acquired | 243,302,988 | 243,302,988 | | | |
| 3. Accrual of discount | 41,228 | 41,228 | | | |
| 4. Unrealized valuation increase (decrease) | 0 | | | | |
| 5. Total gain (loss) on disposals | 0 | | | | |
| 6. Deduct consideration received on disposals | 234,447,641 | 234,447,641 | | | |
| 7. Deduct amortization of premium | 4,191 | 4,191 | | | |
| 8. Total foreign exchange change in book/adjusted carrying value | 0 | | | | |
| 9. Deduct current year's other-than-temporary impairment recognized | 0 | | | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 44,612,583 | 44,612,583 | 0 | 0 | 0 |
| 11. Deduct total nonadmitted amounts | 0 | | | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 44,612,583 | 44,612,583 | 0 | 0 | 0 |

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

## Sch. DB - Pt. A - Verification
NONE

## Sch. DB - Pt. B - Verification
NONE

## Sch. DB - Pt. C - Sn. 1
NONE

## Sch. DB - Pt. C - Sn. 2
NONE

## Sch. DB - Verification
NONE

## Sch. E - Verification
NONE

## Sch. A - Pt. 1
NONE

## Sch. A - Pt. 2
NONE

## Sch. A - Pt. 3
NONE

## Sch. B - Pt. 1
NONE

## Sch. B - Pt. 2
NONE

## Sch. B - Pt. 3
NONE

## Sch. BA - Pt. 1
NONE

## Sch. BA - Pt. 2
NONE

## Sch. BA - Pt. 3
NONE

# SCHEDULE D - PART 1

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

| 1 | 2 | Codes 3 | Codes 4 | Codes 5 | 6 | 7 | Fair Value 8 | Fair Value 9 | 10 | 11 | Change in Book/Adjusted Carrying Value 12 | 13 | 14 | 15 | Interest 16 | 17 | 18 | 19 | 20 | Dates 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CUSIP Identification | Description | Code | Foreign | Bond CHAR | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of | When Paid | Admitted Amount Due & Accrued | Amount Rec. During Year | Acquired | Stated Contractual Maturity Date |
| **U.S. Government - Issuer Obligations** | | | | | | | | | | | | | | | | | | | | | |
| 912828 A3 4 | US TREASURY N/B | | | | 1 | 1,511,016 | 100.125 | 1,501,875 | 1,500,000 | 1,505,866 | | (3,024) | | | 1.250 | 1.040 | MN | 1,648 | 18,750 | 04/15/2015. | 11/30/2018. |
| 912828 J8 4 | US TREASURY N/B | | | | 1 | 750,498 | 99.468 | 746,016 | 750,000 | 750,329 | | (99) | | | 1.375 | 1.360 | MS | 2,635 | 10,313 | 04/09/2015. | 03/31/2020. |
| 912828 L6 5 | US TREASURY N/B | | | | 1 | 496,953 | 98.859 | 494,297 | 500,000 | 497,472 | | 519 | | | 1.375 | 1.510 | MS | 1,757 | 6,875 | 03/16/2016. | 09/30/2020. |
| 912828 L8 1 | US TREASURY N/B | | | | 1 | 498,867 | 99.515 | 497,578 | 500,000 | 499,154 | | 287 | | | 0.875 | 0.970 | AO | 938 | 2,188 | 05/20/2016. | 10/15/2018. |
| 912828 M6 4 | US TREASURY N/B | | | | 1 | 250,205 | 100.156 | 250,391 | 250,000 | 250,130 | | (68) | | | 1.250 | 1.220 | MN | 406 | 3,125 | 11/24/2015. | 11/15/2018. |
| 912828 N2 2 | US TREASURY N/B | | | | 1 | 249,697 | 100.093 | 250,234 | 250,000 | 249,800 | | 101 | | | 1.250 | 1.290 | JD | 146 | 3,125 | 12/22/2015. | 12/15/2018. |
| 912828 N6 3 | US TREASURY N/B | | | | 1 | 1,000,742 | 99.812 | 998,125 | 1,000,000 | 1,000,703 | | (39) | | | 1.125 | 1.090 | JJ | 5,197 | | 11/16/2016. | 01/15/2019. |
| 912828 P5 3 | US TREASURY N/B | | | | 1 | 992,148 | 99.000 | 990,000 | 1,000,000 | 992,573 | | 424 | | | 0.750 | 1.100 | FA | 2,833 | | 11/16/2016. | 02/15/2019. |
| 912828 P9 5 | US TREASURY N/B | | | | 1 | 997,383 | 99.468 | 994,688 | 1,000,000 | 997,528 | | 145 | | | 1.000 | 1.110 | MS | 2,983 | | 11/14/2016. | 03/15/2019. |
| 912828 Q3 7 | US TREASURY N/B | | | | 1 | 995,039 | 97.687 | 976,875 | 1,000,000 | 995,713 | | 674 | | | 1.250 | 1.350 | MS | 3,194 | 6,250 | 04/22/2016. | 03/31/2021. |
| 912828 Q5 2 | US TREASURY N/B | | | | 1 | 995,547 | 99.093 | 990,938 | 1,000,000 | 996,559 | | 1,012 | | | 0.875 | 1.020 | AO | 1,875 | 4,375 | 04/26/2016. | 04/15/2019. |
| 912828 TS 9 | US TREASURY N/B | | | | 1 | 998,398 | 99.843 | 998,438 | 1,000,000 | 999,166 | | 767 | | | 0.625 | 0.730 | MS | 1,597 | 3,125 | 04/22/2016. | 09/30/2017. |
| 912828 UL 2 | US TREASURY N/B | | | | 1 | 1,008,867 | 99.609 | 996,094 | 1,000,000 | 1,005,539 | | (1,754) | | | 1.375 | 1.190 | JJ | 5,754 | 13,750 | 01/30/2015. | 01/31/2020. |
| 912828 UU 2 | US TREASURY N/B | | | | 1 | 500,059 | 99.703 | 498,516 | 500,000 | 500,037 | | (22) | | | 0.750 | 0.740 | MS | 958 | 1,875 | 04/06/2016. | 03/31/2018. |
| 912828 WP 1 | US TREASURY N/B | | | | 1 | 500,194 | 100.109 | 500,546 | 500,000 | 500,072 | | (124) | | | 0.875 | 0.840 | JD | 204 | 4,375 | 03/16/2016. | 06/15/2017. |
| 0199999. U.S. Government - Issuer Obligations | | | | | | 11,745,613 | XXX | 11,684,611 | 11,750,000 | 11,740,641 | 0 | (1,201) | 0 | 0 | XXX | XXX | XXX | 32,125 | 78,126 | XXX | XXX |
| 0599999. Total - U.S. Government | | | | | | 11,745,613 | XXX | 11,684,611 | 11,750,000 | 11,740,641 | 0 | (1,201) | 0 | 0 | XXX | XXX | XXX | 32,125 | 78,126 | XXX | XXX |
| **U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations** | | | | | | | | | | | | | | | | | | | | | |
| 3130AA 3R 7 | FEDERAL HOME LOAN BANK | | | | 1 | 999,770 | 99.616 | 996,170 | 1,000,000 | 999,779 | | 9 | | | 1.375 | 1.380 | MN | 1,681 | | 11/16/2016. | 11/15/2019. |
| 3135G0 J6 1 | FANNIE MAE | | | | 1 | 998,000 | 99.841 | 998,412 | 1,000,000 | 998,793 | | 793 | | | 0.875 | 0.970 | MS | 2,260 | 4,958 | 03/02/2016. | 03/28/2018. |
| 3135G0 K6 9 | FANNIE MAE | | | | 1 | 497,390 | 97.258 | 486,293 | 500,000 | 497,708 | | 318 | | | 1.250 | 1.350 | MN | 955 | 2,951 | 05/12/2016. | 05/06/2021. |
| 3135G0 Q8 9 | FANNIE MAE | | | | 1 | 1,996,640 | 97.259 | 1,945,189 | 2,000,000 | 1,996,792 | | 152 | | | 1.375 | 1.400 | AO | 6,417 | | 10/05/2016. | 10/07/2021. |
| 3137EA DZ 9 | FREDDIE MAC | | | | 1 | 499,835 | 99.508 | 497,541 | 500,000 | 499,877 | | 42 | | | 1.125 | 1.130 | AO | 1,188 | 3,188 | 03/18/2016. | 04/15/2019. |
| 2599999. U.S. Special Revenue & Assessment Obligations - Issuer Obligations | | | | | | 4,991,635 | XXX | 4,923,605 | 5,000,000 | 4,992,949 | 0 | 1,314 | 0 | 0 | XXX | XXX | XXX | 12,501 | 11,097 | XXX | XXX |
| **U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Residential Mortgage-Backed Securities** | | | | | | | | | | | | | | | | | | | | | |
| 3128MJ YJ 3 | FG G08712 | | | 4 | 1 | 519,323 | 105.231 | 516,168 | 490,506 | 519,323 | | | | | 4.000 | 2.930 | MON | 1,635 | | 11/14/2016. | 06/01/2046. |
| 31335A YT 9 | FG G60722 | | | 4 | 1 | 499,932 | 99.458 | 492,301 | 494,983 | 499,906 | | (43) | | | 3.000 | 2.850 | MON | 1,237 | 1,237 | 11/16/2016. | 10/01/2046. |
| 3138LX 7H 6 | FN AO7195 | | | 4 | 1 | 644,398 | 102.693 | 642,970 | 626,104 | 640,579 | | (3,962) | | | 3.000 | 2.270 | MON | 1,565 | 18,782 | 12/09/2013. | 09/01/2027. |
| 3138WE 3W 7 | FN AS5312 | | | 4 | 1 | 493,315 | 102.806 | 481,863 | 468,708 | 492,670 | | (2,145) | | | 3.500 | 2.580 | MON | 1,367 | 10,937 | 04/06/2016. | 07/01/2045. |
| 3138WG 6K 5 | FN AS7173 | | | 4 | 1 | 2,017,573 | 102.562 | 1,961,403 | 1,912,391 | 2,017,573 | | (2,232) | | | 3.500 | 2.350 | MON | 5,578 | 11,156 | 10/04/2016. | 05/01/2046. |
| 3138WG AM 6 | FN AS6311 | | | 4 | 1 | 466,651 | 102.579 | 455,825 | 444,363 | 466,651 | | (2,417) | | | 3.500 | 2.460 | MON | 1,296 | 9,072 | 05/05/2016. | 12/01/2045. |
| 3138WH NU 2 | FN AS7602 | | | 4 | 1 | 526,334 | 105.339 | 523,439 | 496,908 | 526,333 | | (295) | | | 4.000 | 2.970 | MON | 1,656 | 1,656 | 11/22/2016. | 07/01/2046. |
| 3138WR JN 1 | FN AT3868 | | | 4 | 1 | 785,731 | 102.608 | 777,438 | 757,675 | 781,497 | | (2,697) | | | 3.500 | 2.820 | MON | 2,210 | 26,519 | 06/17/2013. | 06/01/2043. |
| 2699999. U.S. Special Revenue - Residential Mortgage-Backed Securities | | | | | | 5,953,257 | XXX | 5,851,407 | 5,691,638 | 5,944,532 | 0 | (13,791) | 0 | 0 | XXX | XXX | XXX | 16,544 | 79,359 | XXX | XXX |
| 3199999. Total - U.S. Special Revenue & Special Assessment Obligations | | | | | | 10,944,892 | XXX | 10,775,012 | 10,691,638 | 10,937,481 | 0 | (12,477) | 0 | 0 | XXX | XXX | XXX | 29,045 | 90,456 | XXX | XXX |
| **Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations** | | | | | | | | | | | | | | | | | | | | | |
| 00287Y AT 6 | ABBVIE INC | | | 1,2 | 2FE | 254,773 | 100.038 | 250,097 | 250,000 | 253,989 | | (783) | | | 2.500 | 1.990 | MN | 816 | 6,250 | 04/26/2016. | 05/14/2020. |
| 02665W BK 6 | AMERICAN HONDA FINANCE | | | 1 | 1FE | 499,795 | 99.770 | 498,855 | 500,000 | 499,806 | | 11 | | | 1.500 | 1.520 | MN | 833 | | 11/16/2016. | 11/19/2018. |
| 035242 AJ 5 | ANHEUSER-BUSCH INBEV FIN | | | 1,2 | 1FE | 256,063 | 100.432 | 251,080 | 250,000 | 255,230 | | (832) | | | 2.650 | 2.100 | FA | 2,760 | 3,423 | 04/26/2016. | 02/01/2021. |
| 06051G ET 2 | BANK OF AMERICA CORP | | | | 2FE | 748,868 | 100.185 | 751,395 | 750,000 | 749,758 | | 231 | | | 2.000 | 2.030 | JJ | 7,083 | 15,000 | 01/08/2013. | 01/11/2018. |
| 14912L 6R 7 | CATERPILLAR FINL SERVICE | | | 1 | 1FE | 249,860 | 98.429 | 246,074 | 250,000 | 249,888 | | 28 | | | 1.350 | 1.360 | MN | 403 | 1,688 | 05/13/2016. | 05/18/2019. |
| 166764 AE 0 | CHEVRON CORP | | | 1,2 | 1FE | 252,493 | 100.294 | 250,736 | 250,000 | 251,687 | | (806) | | | 1.718 | 1.220 | JD | 84 | 4,295 | 04/22/2016. | 06/24/2018. |

# 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 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CUSIP Identification | Description | 3 Code | 4 Foreign | 5 Bond CHAR | NAIC Designation | Actual Cost | 8 Rate Used to Obtain Fair Value | 9 Fair Value | Par Value | Book/Adjusted Carrying Value | 12 Unrealized Valuation Increase (Decrease) | 13 Current Year's (Amortization) / Accretion | 14 Current Year's Other-Than-Temporary Impairment Recognized | 15 Total Foreign Exchange Change in B./A.C.V. | 16 Rate of | 17 Effective Rate of | 18 When Paid | 19 Admitted Amount Due & Accrued | 20 Amount Rec. During Year | 21 Acquired | 22 Stated Contractual Maturity Date |
| 17401Q AD 3 | CITIZENS BANK NA/RI | | | 2 | 2FE | 249,973 | 100.761 | 251,903 | 250,000 | 249,980 | | 7 | | | 2.500 | 2.500 | MS | 1,858 | 3,125 | 03/09/2016. | 03/14/2019. |
| 20826F AS 5 | CONOCOPHILLIPS COMPANY | | | 1,2 | 1FE | 265,748 | 106.163 | 265,408 | 250,000 | 263,669 | | (2,078) | | | 4.200 | 2.780 | MS | 3,092 | 5,454 | 04/26/2016. | 03/15/2021. |
| 38145G AG 5 | GOLDMAN SACHS GROUP INC | | | 1,2 | 1FE | 499,485 | 97.175 | 485,876 | 500,000 | 499,514 | | 29 | | | 2.350 | 2.370 | MN | 3,068 | | 09/22/2016. | 11/15/2021. |
| 48125L RF 1 | JP MORGAN CHASE BANK NA | | | 2 | 1FE | 449,789 | 99.605 | 448,225 | 450,000 | 449,817 | | 28 | | | 1.450 | 1.470 | MS | 1,776 | | 09/20/2016. | 09/21/2018. |
| 548661 DL 8 | LOWES COS INC | | | 1 | 1FE | 499,350 | 98.727 | 493,637 | 500,000 | 499,500 | | 149 | | | 1.150 | 1.190 | AO | 1,214 | 2,795 | 04/12/2016. | 04/15/2019. |
| 59217G BH 1 | MET LIFE GLOB FUNDING I | | | | 1FE | 748,965 | 100.050 | 750,382 | 750,000 | 749,904 | | 348 | | | 1.300 | 1.340 | AO | 2,194 | 9,750 | 04/07/2014. | 04/10/2017. |
| 59562V AW 7 | BERKSHIRE HATHAWAY ENERG | | | 1 | 1FE | 250,160 | 99.929 | 249,825 | 250,000 | 250,057 | | (103) | | | 1.100 | 1.030 | MN | 351 | 2,750 | 04/26/2016. | 05/15/2017. |
| 61746B DM 5 | MORGAN STANLEY | | | | 1FE | 253,628 | 100.775 | 251,937 | 250,000 | 252,751 | | (876) | | | 2.500 | 1.950 | JJ | 2,726 | 3,125 | 04/22/2016. | 01/24/2019. |
| 68389X AX 3 | ORACLE CORP | | | 1 | 1FE | 257,055 | 100.983 | 252,459 | 250,000 | 255,704 | | (1,350) | | | 2.250 | 1.400 | AO | 1,297 | 2,813 | 04/26/2016. | 10/08/2019. |
| 69353R ET 1 | PNC BANK NA | | | 2 | 1FE | 251,758 | 100.098 | 250,247 | 250,000 | 251,279 | | (478) | | | 1.800 | 1.500 | MN | 700 | 4,525 | 04/26/2016. | 11/05/2018. |
| 842587 CN 5 | SOUTHERN CO | | | 1 | 2FE | 249,823 | 99.905 | 249,764 | 250,000 | 249,874 | | 52 | | | 1.550 | 1.580 | JJ | 2,336 | | 05/19/2016. | 07/01/2018. |
| 89236T CX 1 | TOYOTA MOTOR CREDIT CORP | | | | 1FE | 249,940 | 99.610 | 249,027 | 250,000 | 249,962 | | 22 | | | 1.200 | 1.210 | AO | 708 | 1,482 | 04/05/2016. | 04/06/2018. |
| 92826C AB 8 | VISA INC | | | 1,2 | 1FE | 255,550 | 100.272 | 250,682 | 250,000 | 254,757 | | (793) | | | 2.200 | 1.690 | JD | 260 | 5,500 | 04/26/2016. | 12/14/2020. |
| 94974B EV 8 | WELLS FARGO & COMPANY | | | | 1FE | 278,694 | 107.444 | 268,611 | 250,000 | 274,725 | | (3,970) | | | 4.600 | 2.150 | AO | 2,874 | 5,750 | 04/07/2016. | 04/01/2021. |
| 06367T PX 2 | BANK OF MONTREAL | | A | | 1FE | 499,785 | 99.983 | 499,917 | 500,000 | 499,789 | | 4 | | | 2.100 | 2.110 | JD | 554 | | 12/07/2016. | 12/12/2019. |
| 3299999. Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | 7,521,555 | XXX | 7,466,137 | 7,450,000 | 7,511,640 | 0 | (11,160) | 0 | 0 | XXX | XXX | XXX | 36,987 | 77,725 | XXX | XXX |
| **Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities** | | | | | | | | | | | | | | | | | | | | | |
| 36248G AB 6 | GSMS 2013-GC16 A2 | | | 4 | 1FM | 205,734 | 102.240 | 204,480 | 200,000 | 203,823 | | (1,912) | | | 3.033 | 1.820 | MON | 506 | 4,550 | 02/29/2016. | 11/13/2046. |
| 61764P BR 2 | MSBAM 2014-C19 A2 | | | 4 | 1FM | 520,156 | 102.512 | 512,560 | 500,000 | 516,281 | | (3,875) | | | 3.101 | 1.860 | MON | 1,292 | 9,045 | 04/27/2016. | 12/17/2047. |
| 3499999. Industrial & Miscellaneous - Commercial Mortgage-Backed Securities | | | | | | 725,890 | XXX | 717,040 | 700,000 | 720,104 | 0 | (5,787) | 0 | 0 | XXX | XXX | XXX | 1,798 | 13,595 | XXX | XXX |
| **Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities** | | | | | | | | | | | | | | | | | | | | | |
| 14314M AC 7 | CARMX 2016-2 A3 | | | 4 | 1FE | 214,988 | 99.643 | 214,234 | 215,000 | 214,992 | | 3 | | | 1.520 | 1.520 | MON | 145 | 2,133 | 04/12/2016. | 02/16/2021. |
| 161571 HH 0 | CHAIT 2016-A7 A7 | | | 4 | 1FE | 499,957 | 99.923 | 499,620 | 500,000 | 499,970 | | 13 | | | 1.060 | 1.060 | MON | 236 | 1,354 | 09/06/2016. | 09/16/2019. |
| 17305E FW 0 | CCCIT 2016-A1 A1 | | | 4 | 1FE | 469,975 | 99.628 | 468,252 | 470,000 | 469,975 | | | | | 1.750 | 1.750 | MN | 525 | | 11/29/2016. | 11/19/2021. |
| 41284D AD 4 | HDMOT 2016-A A4 | | | 4 | 1FE | 329,961 | 98.543 | 325,194 | 330,000 | 329,967 | | 6 | | | 1.619 | 1.620 | MON | 237 | 2,657 | 06/07/2016. | 04/15/2022. |
| 87165L AX 9 | SYNCT 2016-1 A | | | 4 | 1FE | 214,955 | 100.300 | 215,645 | 215,000 | 214,967 | | 12 | | | 2.040 | 2.040 | MON | 195 | 3,253 | 03/14/2016. | 03/15/2022. |
| 98161P AD 5 | WOART 2016-B A3 | | | 4 | 1FE | 414,894 | 98.592 | 409,158 | 415,000 | 414,905 | | 11 | | | 1.300 | 1.300 | MON | 240 | 1,364 | 09/07/2016. | 02/15/2022. |
| 3599999. Industrial & Miscellaneous - Other Loan-Backed and Structured Securities | | | | | | 2,144,730 | XXX | 2,132,103 | 2,145,000 | 2,144,776 | 0 | 45 | 0 | 0 | XXX | XXX | XXX | 1,578 | 10,761 | XXX | XXX |
| 3899999. Total - Industrial & Miscellaneous (Unaffiliated) | | | | | | 10,392,175 | XXX | 10,315,280 | 10,295,000 | 10,376,520 | 0 | (16,902) | 0 | 0 | XXX | XXX | XXX | 40,363 | 102,081 | XXX | XXX |
| **Totals** | | | | | | | | | | | | | | | | | | | | | |
| 7799999. Total - Issuer Obligations | | | | | | 24,258,803 | XXX | 24,074,353 | 24,200,000 | 24,245,230 | 0 | (11,047) | 0 | 0 | XXX | XXX | XXX | 81,613 | 166,948 | XXX | XXX |
| 7899999. Total - Residential Mortgage-Backed Securities | | | | | | 5,953,257 | XXX | 5,851,407 | 5,691,638 | 5,944,532 | 0 | (13,791) | 0 | 0 | XXX | XXX | XXX | 16,544 | 79,359 | XXX | XXX |
| 7999999. Total - Commercial Mortgage-Backed Securities | | | | | | 725,890 | XXX | 717,040 | 700,000 | 720,104 | 0 | (5,787) | 0 | 0 | XXX | XXX | XXX | 1,798 | 13,595 | XXX | XXX |
| 8099999. Total - Other Loan-Backed and Structured Securities | | | | | | 2,144,730 | XXX | 2,132,103 | 2,145,000 | 2,144,776 | 0 | 45 | 0 | 0 | XXX | XXX | XXX | 1,578 | 10,761 | XXX | XXX |
| 8399999. Grand Total - Bonds | | | | | | 33,082,680 | XXX | 32,774,903 | 32,736,638 | 33,054,642 | 0 | (30,580) | 0 | 0 | XXX | XXX | XXX | 101,533 | 270,663 | XXX | XXX |

# Sch. D - Pt. 2 - Sn. 1
NONE

# Sch. D - Pt. 2 - Sn. 2
NONE

# SCHEDULE D - PART 3

## Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends |
|---|---|---|---|---|---|---|---|---|
| **Bonds - U.S. Government** | | | | | | | | |
| 912828 L6 5 | US TREASURY N/B | | 03/16/2016 | DEUTSCHE BANK | | 496,953 | 500,000 | 3,175 |
| 912828 L8 1 | US TREASURY N/B | | 05/20/2016 | DEUTSCHE BANK | | 498,867 | 500,000 | 454 |
| 912828 N6 3 | US TREASURY N/B | | 11/16/2016 | BARCLAYS AMERICAN | | 1,000,742 | 1,000,000 | 3,821 |
| 912828 P5 3 | US TREASURY N/B | | 11/16/2016 | TORONTO DOMINION - US | | 992,148 | 1,000,000 | 1,916 |
| 912828 P9 5 | US TREASURY N/B | | 11/14/2016 | BARCLAYS AMERICAN | | 997,383 | 1,000,000 | 1,685 |
| 912828 Q3 7 | US TREASURY N/B | | 04/22/2016 | CITIGROUP GLOBAL MARKETS | | 995,039 | 1,000,000 | 854 |
| 912828 Q5 2 | US TREASURY N/B | | 04/26/2016 | CITIGROUP GLOBAL MARKETS | | 995,547 | 1,000,000 | 287 |
| 912828 TS 9 | US TREASURY N/B | | 04/22/2016 | BARCLAYS AMERICAN | | 998,398 | 1,000,000 | 427 |
| 912828 UU 2 | US TREASURY N/B | | 04/06/2016 | MORGAN STANLEY | | 1,000,116 | 1,000,000 | 143 |
| 912828 WP 1 | US TREASURY N/B | | 03/16/2016 | CITIGROUP GLOBAL MARKETS | | 500,195 | 500,000 | 1,112 |
| 0599999. Total - Bonds - U.S. Government | | | | | | 8,475,388 | 8,500,000 | 13,874 |
| **Bonds - All Other Government** | | | | | | | | |
| 500769 HB 3 | KFW | D | 08/31/2016 | NOMURA SECURITIES DOMESTIC | | 199,890 | 200,000 | |
| 1099999. Total - Bonds - All Other Government | | | | | | 199,890 | 200,000 | 0 |
| **Bonds - U.S. Special Revenue and Special Assessment** | | | | | | | | |
| 3128MJ YJ 3 | FG G08712 | | 11/14/2016 | WELLS FARGO SECURITIES LLC | | 519,323 | 490,506 | 654 |
| 3130AA 3R 7 | FEDERAL HOME LOAN BANK | | 11/16/2016 | BANK AMERICA | | 999,770 | 1,000,000 | |
| 31335A YT 9 | FG G60722 | | 11/16/2016 | WELLS FARGO SECURITIES LLC | | 501,651 | 496,684 | 828 |
| 3135G0 J6 1 | FANNIE MAE | | 03/02/2016 | CITIGROUP GLOBAL MARKETS | | 998,000 | 1,000,000 | |
| 3135G0 K6 9 | FANNIE MAE | | 05/12/2016 | J.P. MORGAN | | 994,780 | 1,000,000 | |
| 3135G0 Q8 9 | FANNIE MAE | | 10/05/2016 | GOLDMAN SACHS | | 1,996,640 | 2,000,000 | |
| 3137EA DZ 9 | FREDDIE MAC | | 03/18/2016 | MORGAN STANLEY | | 999,670 | 1,000,000 | |
| 3138WE 3W 7 | FN AS5312 | | 04/06/2016 | CITIGROUP GLOBAL MARKETS | | 1,049,218 | 996,882 | 1,163 |
| 3138WG 6K 5 | FN AS7173 | | 10/04/2016 | NOMURA SECURITIES DOMESTIC | | 2,060,578 | 1,953,154 | 2,278 |
| 3138WG AM 6 | FN AS6311 | | 05/05/2016 | J.P. MORGAN | | 519,625 | 494,808 | 529 |
| 3138WH NU 2 | FN AS7602 | | 11/22/2016 | GOLDMAN SACHS | | 531,610 | 501,890 | 1,506 |
| 3199999. Total - Bonds - U.S. Special Revenue and Special Assessments | | | | | | 11,170,865 | 10,933,924 | 6,958 |
| **Bonds - Industrial and Miscellaneous** | | | | | | | | |
| 00287Y AT 6 | WELLS FARGO SECURITIES LLC | | 04/26/2016 | WELLS FARGO SECURITIES LLC | | 254,773 | 250,000 | 2,865 |
| 02665W BK 6 | MORGAN STANLEY | | 11/16/2016 | MORGAN STANLEY | | 499,795 | 500,000 | |
| 035242 AJ 5 | CITIGROUP GLOBAL MARKETS | | 04/26/2016 | CITIGROUP GLOBAL MARKETS | | 256,063 | 250,000 | 1,730 |
| 14314M AC 7 | RBC CAPITAL MARKETS SECURITIES - US | | 04/12/2016 | RBC CAPITAL MARKETS SECURITIES - US | | 429,977 | 430,000 | |
| 14912L 00 7 | J.P. MORGAN | | 05/13/2016 | J.P. MORGAN | | 499,720 | 500,000 | |
| 161571 HH 0 | J.P. MORGAN | | 09/06/2016 | J.P. MORGAN | | 499,957 | 500,000 | |
| 166764 AE 0 | TORONTO DOMINION - US | | 04/22/2016 | TORONTO DOMINION - US | | 252,493 | 250,000 | 1,467 |
| 17305E FW 0 | CITIGROUP GLOBAL MARKETS | | 11/29/2016 | CITIGROUP GLOBAL MARKETS | | 469,975 | 470,000 | |
| 17401Q AD 3 | CITIGROUP GLOBAL MARKETS | | 03/09/2016 | CITIGROUP GLOBAL MARKETS | | 499,945 | 500,000 | |
| 20826F AS 5 | SG AMERICAS SECURITIES (DOMESTIC) | | 04/26/2016 | SG AMERICAS SECURITIES (DOMESTIC) | | 265,748 | 250,000 | 1,488 |
| 36248G AB 6 | SG AMERICAS SECURITIES (DOMESTIC) | | 02/29/2016 | SG AMERICAS SECURITIES (DOMESTIC) | | 205,734 | 200,000 | 34 |
| 38145G AG 5 | GOLDMAN SACHS | | 09/22/2016 | GOLDMAN SACHS | | 499,485 | 500,000 | |
| 41284D AD 4 | J.P. MORGAN | | 06/07/2016 | J.P. MORGAN | | 664,921 | 665,000 | |
| 48125L RF 1 | J.P. MORGAN | | 09/20/2016 | J.P. MORGAN | | 449,788 | 450,000 | |
| 548661 DL 8 | VARIOUS | | 04/12/2016 | VARIOUS | | 499,350 | 500,000 | |
| 58769B AW 7 | MORGAN STANLEY | | 04/26/2016 | MORGAN STANLEY | | 250,160 | 250,000 | 1,252 |
| 59562V DM 5 | TORONTO DOMINION - US | | 04/22/2016 | TORONTO DOMINION - US | | 253,628 | 250,000 | 1,615 |
| 61746B BR 2 | WELLS FARGO SECURITIES LLC | | 04/27/2016 | WELLS FARGO SECURITIES LLC | | 520,156 | 500,000 | 43 |

# SCHEDULE D - PART 3

## Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends |
|---|---|---|---|---|---|---|---|---|
| 61764P AX 3 | MILLENNIUM ADVISORS | | 04/26/2016 | MILLENNIUM ADVISORS | | 257,055 | 250,000 | 328 |
| 68389X ET 1 | MIZUHO SECURITIES | | 04/26/2016 | MIZUHO SECURITIES | | 251,757 | 250,000 | 2,200 |
| 69353R CN 5 | CITIGROUP GLOBAL MARKETS | | 05/19/2016 | CITIGROUP GLOBAL MARKETS | | 499,645 | 500,000 | |
| 842587 AX 9 | WELLS FARGO SECURITIES LLC | | 03/14/2016 | WELLS FARGO SECURITIES LLC | | 429,910 | 430,000 | |
| 87165L CX 1 | CITIGROUP GLOBAL MARKETS | | 04/05/2016 | CITIGROUP GLOBAL MARKETS | | 249,940 | 250,000 | |
| 89236T AB 8 | US BANCORP INVESTMENTS INC | | 04/26/2016 | US BANCORP INVESTMENTS INC | | 255,550 | 250,000 | |
| 92826C EV 8 | VARIOUS | | 04/07/2016 | VARIOUS | | 278,695 | 250,000 | 2,063 |
| 94974B AD 5 | J.P. MORGAN | | 09/07/2016 | J.P. MORGAN | | 414,894 | 415,000 | 351 |
| 98161P PX 2 | BMO CAPITAL MARKETS - US | | 12/07/2016 | BMO CAPITAL MARKETS - US | | 499,785 | 500,000 | |
| 3899999. Total - Bonds - Industrial and Miscellaneous | | | | | | 10,408,899 | 10,310,000 | 15,436 |
| 8399997. Total - Bonds - Part 3 | | | | | | 30,255,042 | 29,943,924 | 36,268 |
| 8399999. Total - Bonds | | | | | | 30,255,042 | 29,943,924 | 36,268 |
| 9999999. Total - Bonds, Preferred and Common Stocks | | | | | | 30,255,042 | XXX | 36,268 |

# SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest / Stock Dividends Received During Year | Stated Contractual Maturity Date |
| **Bonds - U.S. Government** | | | | | | | | | | | | | | | | | | | | |
| 912828 A5 9 | US TREASURY N/B | | 12/15/2016. | MATURITY | | 750,000 | 750,000 | 746,365 | 748,742 | | 1,258 | | 1,258 | | 750,000 | | | 0 | 4,688 | 12/15/2016. |
| 912828 B7 4 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 249,911 | 250,000 | 249,424 | 249,781 | | 130 | | 130 | | 249,911 | | | 0 | 1,563 | 02/15/2017. |
| 912828 G7 9 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 499,699 | 500,000 | 499,316 | 499,544 | | 155 | | 155 | | 499,699 | | | 0 | 2,500 | 12/15/2017. |
| 912828 G9 5 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 500,886 | 500,000 | 501,309 | 501,058 | | (172) | | (172) | | 500,886 | | | 0 | 4,063 | 12/31/2019. |
| 912828 L6 5 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 1,002,670 | 1,000,000 | 1,003,242 | 1,003,092 | | (423) | | (423) | | 1,002,669 | | | 0 | 6,875 | 09/30/2020. |
| 912828 M6 4 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 750,459 | 750,000 | 750,615 | 750,595 | | (136) | | (136) | | 750,459 | | | 0 | 4,688 | 11/15/2018. |
| 912828 N2 2 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 749,300 | 750,000 | 749,092 | 749,099 | | 201 | | 201 | | 749,300 | | | 0 | 4,688 | 12/15/2018. |
| 912828 RM 4 | US TREASURY N/B | | 09/22/2016. | VARIOUS | | 500,200 | 500,000 | 503,164 | 501,017 | | (817) | | (817) | | 500,200 | | 170 | 170 | 2,500 | 10/31/2016. |
| 912828 SS 0 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 500,202 | 500,000 | 500,957 | 500,404 | | (202) | | (202) | | 500,202 | | | 0 | 2,188 | 04/30/2017. |
| 912828 TC 4 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 747,685 | 750,000 | 746,426 | 747,148 | | 537 | | 537 | | 747,685 | | | 0 | 3,750 | 06/30/2019. |
| 912828 UU 2 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 500,047 | 500,000 | 500,059 | | | (12) | | (12) | | 500,047 | | | 0 | | 03/31/2018. |
| 912828 VR 8 | US TREASURY N/B | | 08/15/2016. | MATURITY | | 500,000 | 500,000 | 497,441 | 499,459 | | 541 | | 541 | | 500,000 | | | 0 | 3,125 | 08/15/2016. |
| 912828 VW 7 | US TREASURY N/B | | 09/15/2016. | MATURITY | | 400,000 | 400,000 | 402,406 | 400,630 | | (630) | | (630) | | 400,000 | | | 0 | 3,500 | 09/15/2016. |
| 912828 XF 2 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 502,903 | 500,000 | 504,355 | 503,976 | | (1,073) | | (1,073) | | 502,903 | | | 0 | 2,813 | 06/15/2018. |
| 912828 XJ 4 | US TREASURY N/B | | 09/01/2016. | TRANSFER | | 499,958 | 500,000 | 499,902 | 499,925 | | 33 | | 33 | | 499,958 | | | 0 | 1,563 | 06/30/2017. |
| 0599999. | Total - Bonds - U.S. Government | | | | | 8,653,920 | 8,650,000 | 8,654,073 | 8,154,470 | 0 | (610) | 0 | (610) | 0 | 8,653,919 | 0 | 170 | 170 | 48,504 | XXX |
| **Bonds - All Other Government** | | | | | | | | | | | | | | | | | | | | |
| 500769 HB 3 | KFW | D | 09/01/2016. | TRANSFER | | 199,890 | 200,000 | 199,890 | | | | | 0 | | 199,890 | | | 0 | | 09/07/2018. |
| 1099999. | Total - Bonds - All Other Government | | | | | 199,890 | 200,000 | 199,890 | 0 | 0 | 0 | 0 | 0 | 0 | 199,890 | 0 | 0 | 0 | 0 | XXX |
| **Bonds - U.S. Special Revenue and Special Assessment** | | | | | | | | | | | | | | | | | | | | |
| 3138WE 3W 7 | FN AS5312 | | 09/01/2016. | VARIOUS | | 553,224 | 528,173 | 555,902 | | | (1,561) | | (1,561) | | 554,342 | | | 0 | 5,756 | 07/01/2045. |
| 3138WG 6K 5 | FN AS7173 | | 12/01/2016. | MBS PAYMENT | | 40,763 | 40,763 | 43,005 | | | (10) | | (10) | | 40,763 | | | 0 | 199 | 05/01/2046. |
| 3138LX 7H 6 | FN AO7195 | | 12/01/2016. | MBS PAYMENT | | 124,813 | 124,813 | 128,460 | 125,174 | | (361) | | (361) | | 124,813 | | | 0 | 2,130 | 09/01/2027. |
| 3138AK A7 4 | FN AI5429 | | 09/01/2016. | VARIOUS | | 624,820 | 611,023 | 627,206 | 626,393 | | (1,572) | | (1,572) | | 624,821 | | | 0 | 13,674 | 07/01/2026. |
| 3138WG AM 6 | FN AS6311 | | 12/01/2016. | MBS PAYMENT | | 50,444 | 50,444 | 52,974 | | | (114) | | (114) | | 50,444 | | | 0 | 632 | 12/01/2045. |
| 31417G AV 8 | FN AB9019 | | 09/01/2016. | VARIOUS | | 206,802 | 202,624 | 207,784 | 207,201 | | (399) | | (399) | | 206,802 | | | 0 | 3,939 | 04/01/2043. |
| 3138X0 B4 9 | FN AU0958 | | 09/01/2016. | VARIOUS | | 643,546 | 625,179 | 648,623 | 646,785 | | (3,239) | | (3,239) | | 643,546 | | | 0 | 11,871 | 08/01/2028. |
| 3135G0 BA 0 | FANNIE MAE | | 04/11/2016. | MATURITY | | 550,000 | 550,000 | 548,878 | 549,935 | | 65 | | 65 | | 550,000 | | | 0 | 6,531 | 04/11/2016. |
| 3137EA CT 4 | FREDDIE MAC | | 05/27/2016. | MATURITY | | 250,000 | 250,000 | 249,335 | 249,945 | | 55 | | 55 | | 250,000 | | | 0 | 3,125 | 05/27/2016. |
| 3128PQ CX 7 | FG J10986 | | 09/01/2016. | VARIOUS | | 283,800 | 275,787 | 286,473 | 286,023 | | (2,223) | | (2,223) | | 283,800 | | | 0 | 7,563 | 10/01/2024. |
| 3137EA DV 8 | FREDDIE MAC | | 09/01/2016. | TRANSFER | | 500,279 | 500,000 | 500,605 | 500,491 | | (212) | | (212) | | 500,279 | | | 0 | 4,219 | 07/14/2017. |
| 3137EA DZ 9 | FREDDIE MAC | | 09/01/2016. | TRANSFER | | 499,859 | 500,000 | 499,835 | | | 24 | | 24 | | 499,859 | | | 0 | | 04/15/2019. |
| 3135G0 ES 8 | FANNIE MAE | | 11/15/2016. | MATURITY | | 750,000 | 750,000 | 762,319 | 752,385 | | (2,385) | | (2,385) | | 750,000 | | | 0 | 10,313 | 11/15/2016. |
| 3130A4 GJ 5 | FEDERAL HOME LOAN BANK | | 09/01/2016. | TRANSFER | | 499,821 | 500,000 | 499,663 | 499,750 | | 71 | | 71 | | 499,821 | | | 0 | 2,813 | 04/25/2018. |
| 3138EL GL 1 | FN AL3802 | | 09/01/2016. | VARIOUS | | 703,200 | 690,077 | 707,761 | 705,759 | | (2,560) | | (2,560) | | 703,199 | | | 0 | 13,033 | 02/01/2028. |
| 3138WR JN 1 | FN AT3868 | | 12/01/2016. | MBS PAYMENT | | 77,658 | 77,658 | 80,533 | 77,790 | | (131) | | (131) | | 77,658 | | | 0 | 1,402 | 06/01/2043. |
| 3135G0 K6 9 | FANNIE MAE | | 09/01/2016. | TRANSFER | | 497,538 | 500,000 | 497,390 | | | 148 | | 148 | | 497,538 | | | 0 | | 05/06/2021. |
| 31417Q MW 1 | FN AC4872 | | 09/01/2016. | VARIOUS | | 498,271 | 492,111 | 500,799 | 499,980 | | (1,709) | | (1,709) | | 498,271 | | | 0 | 11,706 | 11/01/2024. |
| 3128MM NH 2 | FG G18391 | | 09/01/2016. | VARIOUS | | 265,367 | 256,134 | 267,670 | 267,194 | | (1,827) | | (1,827) | | 265,367 | | | 0 | 6,380 | 06/01/2026. |
| 3138WH NU 2 | FN AS7602 | | 12/01/2016. | MBS PAYMENT | | 4,982 | 4,982 | 5,277 | | | | | 0 | | 4,982 | | | 0 | 17 | 07/01/2046. |
| 3128MJ QY 9 | FG G08470 | | 09/01/2016. | VARIOUS | | 117,543 | 112,575 | 118,266 | 117,994 | | (451) | | (451) | | 117,543 | | | 0 | 2,881 | 12/01/2041. |

# SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest / Stock Dividends Received During Year | Stated Contractual Maturity Date |
| 31416R RP 0 | FN AA7693 | | 09/01/2016. | VARIOUS | | 106,146 | 105,735 | 106,313 | 106,282 | | (135) | | (135) | | 106,147 | | | 0 | 2,578 | 07/01/2024. |
| 31417Y T7 2 | FN MA0573 | | 09/01/2016. | VARIOUS | | 253,494 | 247,415 | 255,611 | 254,865 | | (1,371) | | (1,371) | | 253,494 | | | 0 | 5,375 | 11/01/2025. |
| 3128MJ U2 4 | FG G08600 | | 09/01/2016. | VARIOUS | | 390,871 | 367,180 | 395,809 | 395,809 | | (4,938) | | (4,938) | | 390,871 | | | 0 | 10,310 | 08/01/2044. |
| 3132GL VE 1 | FG Q05413 | | 09/01/2016. | VARIOUS | | 128,840 | 123,372 | 130,071 | 129,813 | | (974) | | (974) | | 128,839 | | | 0 | 3,107 | 01/01/2042. |
| 31418A XN 3 | FN MA1584 | | 09/01/2016. | VARIOUS | | 197,546 | 193,002 | 198,370 | 197,985 | | (439) | | (439) | | 197,546 | | | 0 | 4,309 | 09/01/2033. |
| 3135G0 XP 3 | FANNIE MAE | | 07/05/2016. | MATURITY | | 500,000 | 500,000 | 498,275 | 499,717 | | 283 | | 283 | | 500,000 | | | 0 | 1,875 | 07/05/2016. |
| 3135G0 YE 7 | FANNIE MAE | | 08/26/2016. | MATURITY | | 300,000 | 300,000 | 299,037 | 299,796 | | 204 | | 204 | | 300,000 | | | 0 | 1,875 | 08/26/2016. |
| 31335A YT 9 | FG G60722 | | 12/01/2016. | MBS PAYMENT | | 1,701 | 1,701 | 1,718 | | | | | 0 | | 1,701 | | | 0 | 4 | 10/01/2046. |
| 3132GK ZN 9 | FG Q04649 | | 09/01/2016. | VARIOUS | | 463,462 | 456,785 | 464,992 | 464,257 | | (795) | | (795) | | 463,462 | | | 0 | 10,215 | 11/01/2041. |
| 3199999. | Total - Bonds - U.S. Special Revenue and Special Assessments | | | | | 10,084,790 | 9,937,533 | 10,138,954 | 8,461,323 | 0 | (26,556) | 0 | (26,556) | 0 | 10,085,908 | 0 | 0 | 0 | 147,832 | XXX |
| **Bonds - Industrial and Miscellaneous** | | | | | | | | | | | | | | | | | | | | |
| 14912L 6R 7 | CATERPILLAR FINL SERVICE | | 09/01/2016. | TRANSFER | | 249,873 | 250,000 | 249,860 | | | 13 | | 13 | | 249,879 | | | 0 | | 05/18/2019. |
| 89233P 7E 0 | TOYOTA MOTOR CREDIT CORP | | 09/01/2016. | TRANSFER | | 249,889 | 250,000 | 249,603 | 249,836 | | 54 | | 54 | | 249,900 | | | 0 | 3,438 | 01/10/2018. |
| 12591U AA 1 | COMM 2014-UBS2 A1 | | 09/01/2016. | VARIOUS | | 194,552 | 194,553 | 194,552 | 194,552 | | | | 0 | | 194,552 | | | 0 | 1,567 | 03/12/2047. |
| 20825T AA 5 | CONOCOPHILLIPS CANADA | | 10/15/2016. | MATURITY | | 750,000 | 750,000 | 877,815 | 768,202 | | (18,202) | | (18,202) | | 750,000 | | | 0 | 42,187 | 10/15/2016. |
| 92890H AA 0 | WEA FINANCE LLC/WESTFIEL | | 09/01/2016. | TRANSFER | | 499,949 | 500,000 | 499,855 | 499,916 | | 32 | | 32 | | 499,955 | | | 0 | 4,375 | 09/15/2017. |
| 15200N AB 1 | CNP 2009-1 A2 | | 09/01/2016. | VARIOUS | | 214,017 | 210,667 | 220,888 | 214,542 | | (526) | | (526) | | 213,904 | | | 0 | 6,523 | 08/15/2019. |
| 41283L AB 1 | HARLEY-DAVIDSON FINL SER | | 09/01/2016. | TRANSFER | | 399,991 | 400,000 | 399,912 | 399,981 | | 10 | | 10 | | 399,993 | | | 0 | 5,400 | 03/15/2017. |
| 58933Y AB 1 | MERCK & CO INC | | 01/15/2016. | MATURITY | | 750,000 | 750,000 | 748,193 | 749,986 | | 14 | | 14 | | 750,000 | | | 0 | 8,438 | 01/15/2016. |
| 92826C AB 8 | VISA INC | | 09/01/2016. | TRANSFER | | 500,013 | 500,000 | 500,016 | 500,016 | | (3) | | (3) | | 500,013 | | | 0 | 5,500 | 12/14/2020. |
| 14314M AC 7 | CARMX 2016-2 A3 | | 09/01/2016. | TRANSFER | | 214,990 | 215,000 | 214,988 | | | 2 | | 2 | | 214,991 | | | 0 | 1,044 | 02/16/2021. |
| 43814H AC 2 | HAROT 2014-3 A3 | | 09/01/2016. | VARIOUS | | 310,021 | 310,000 | 309,940 | 309,977 | | 44 | | 44 | | 310,024 | | | 0 | 1,626 | 06/15/2018. |
| 035242 AD 8 | ANHEUSER-BUSCH INBEV FIN | | 01/15/2016. | MATURITY | | 300,000 | 300,000 | 299,982 | 300,000 | | | | 0 | | 300,000 | | | 0 | 1,200 | 01/15/2016. |
| 17401Q AD 3 | CITIZENS BANK NA/RI | | 09/01/2016. | TRANSFER | | 249,977 | 250,000 | 249,973 | | | 4 | | 4 | | 249,978 | | | 0 | | 03/14/2019. |
| 41284D AD 4 | HDMOT 2016-A A4 | | 09/01/2016. | TRANSFER | | 334,963 | 335,000 | 334,960 | | | 3 | | 3 | | 334,964 | | | 0 | 899 | 04/15/2022. |
| 21686C AD 2 | COOPERATIEVE RABOBANK UA | D | 09/01/2016. | TRANSFER | | 250,087 | 250,000 | 251,056 | 250,236 | | (149) | | (149) | | 250,057 | | | 0 | 8,438 | 01/19/2017. |
| 04621X AE 8 | ASSURANT INC | | 09/01/2016. | TRANSFER | | 249,854 | 250,000 | 249,550 | 249,793 | | 61 | | 61 | | 249,854 | | | 0 | 3,125 | 03/15/2018. |
| 00084D AE 0 | ABN AMRO BANK NV | D | 09/01/2016. | TRANSFER | | 199,982 | 200,000 | 199,804 | 199,954 | | 28 | | 28 | | 199,988 | | | 0 | 8,500 | 02/02/2017. |
| 55608P AE 4 | MACQUARIE BANK LTD | D | 09/01/2016. | TRANSFER | | 249,996 | 250,000 | 249,978 | 249,991 | | 5 | | 5 | | 249,997 | | | 0 | 2,063 | 03/24/2017. |
| 36192P AF 3 | GSMS 2012-GCJ9 A2 | | 09/01/2016. | TRANSFER | | 603,116 | 600,000 | 614,977 | 605,278 | | (2,163) | | (2,163) | | 602,689 | | | 0 | 7,048 | 11/10/2045. |
| 44923Q AH 7 | HYUNDAI CAPITAL AMERICA | | 09/01/2016. | TRANSFER | | 749,913 | 750,000 | 749,408 | 749,780 | | 133 | | 133 | | 749,940 | | | 0 | 10,875 | 02/06/2017. |
| 89352H AH 2 | TRANS-CANADA PIPELINES | A | 01/15/2016. | MATURITY | | 290,000 | 290,000 | 289,487 | 289,993 | | 7 | | 7 | | 290,000 | | | 0 | 1,088 | 01/15/2016. |
| 85771P AH 5 | STATOIL ASA | D | 09/01/2016. | TRANSFER | | 264,917 | 265,000 | 264,695 | 264,878 | | 40 | | 40 | | 264,926 | | | 0 | 3,180 | 01/17/2018. |
| 03073E AK 1 | AMERISOURCEBERGEN CORP | | 09/01/2016. | TRANSFER | | 499,870 | 500,000 | 499,460 | 499,749 | | 122 | | 122 | | 499,894 | | | 0 | 2,875 | 05/15/2017. |
| 115637 AK 6 | BROWN-FORMAN CORPORATION | | 01/15/2016. | MATURITY | | 500,000 | 500,000 | 496,800 | 499,974 | | 26 | | 26 | | 500,000 | | | 0 | 6,250 | 01/15/2016. |
| 233851 AK 0 | DAIMLER FINANCE NA LLC | | 09/01/2016. | TRANSFER | | 249,966 | 250,000 | 249,563 | 249,905 | | 62 | | 62 | | 249,978 | | | 0 | 7,375 | 01/11/2017. |
| 68389X AK 1 | ORACLE CORP | | 09/01/2016. | TRANSFER | | 269,435 | 250,000 | 275,925 | 272,649 | | (3,215) | | (3,215) | | 268,800 | | | 0 | 9,687 | 07/15/2020. |
| 55608P AK 0 | MACQUARIE BANK LTD | D | 09/01/2016. | TRANSFER | | 249,940 | 250,000 | 249,848 | 249,907 | | 34 | | 34 | | 249,947 | | | 0 | 2,000 | 10/27/2017. |
| 740189 AL 9 | PRECISION CASTPARTS CORP | | 09/01/2016. | TRANSFER | | 499,962 | 500,000 | 499,950 | 499,956 | | 6 | | 6 | | 499,964 | | | 0 | 5,625 | 06/15/2020. |
| 05531F AM 5 | BB&T CORPORATION | | 09/01/2016. | TRANSFER | | 309,896 | 310,000 | 309,616 | 309,846 | | 50 | | 50 | | 309,906 | | | 0 | 4,495 | 01/12/2018. |
| 61763B AR 5 | MSBAM 2013-C13 A2 | | 09/01/2016. | TRANSFER | | 430,743 | 425,000 | 437,733 | 432,530 | | (1,787) | | (1,787) | | 430,390 | | | 0 | 8,319 | 11/16/2046. |
| 46641W AS 6 | JPMBB 2014-C19 A1 | | 09/01/2016. | VARIOUS | | 317,723 | 317,723 | 317,723 | 317,723 | | | | 0 | | 317,723 | | | 0 | 2,468 | 04/17/2047. |

# SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest / Stock Dividends Received During Year | Stated Contractual Maturity Date |
| 571748 AT 9 | MARSH & MCLENNAN COS INC. | | 09/01/2016. | TRANSFER | | 234,947 | 235,000 | 234,875 | 234,930 | | 16 | | 16 | | 234,950 | | | 0 | 2,996 | 10/15/2018. |
| 882508 AV 6 | TEXAS INSTRUMENTS INC. | | 09/01/2016. | TRANSFER | | 249,588 | 250,000 | 249,258 | 249,425 | | 163 | | 163 | | 249,620 | | | 0 | 1,250 | 05/01/2018. |
| 59562V AW 7 | BERKSHIRE HATHAWAY ENERG. | | 09/01/2016. | TRANSFER | | 499,888 | 500,000 | 499,527 | 499,783 | | 105 | | 105 | | 499,909 | | | 0 | 2,750 | 05/15/2017. |
| 87165L AX 9 | SYNCT 2016-1 A. | | 09/01/2016. | TRANSFER | | 214,962 | 215,000 | 214,955 | | | 7 | | 7 | | 214,964 | | | 0 | 1,791 | 03/15/2022. |
| 31677Q BA 6 | FIFTH THIRD BANK. | | 09/01/2016. | TRANSFER | | 499,944 | 500,000 | 499,770 | 499,895 | | 49 | | 49 | | 499,954 | | | 0 | 3,375 | 06/01/2017. |
| 867914 BE 2 | SUNTRUST BANKS INC. | | 09/01/2016. | TRANSFER | | 199,980 | 200,000 | 199,752 | 199,945 | | 35 | | 35 | | 199,986 | | | 0 | 7,000 | 01/20/2017. |
| 233851 BF 0 | DAIMLER FINANCE NA LLC. | | 09/01/2016. | TRANSFER | | 189,797 | 190,000 | 189,345 | 189,650 | | 146 | | 146 | | 189,826 | | | 0 | 2,613 | 08/01/2017. |
| 594918 BG 8 | MICROSOFT CORP. | | 09/01/2016. | TRANSFER | | 499,664 | 500,000 | 499,600 | 499,612 | | 51 | | 51 | | 499,674 | | | 0 | 5,000 | 11/03/2020. |
| 031162 BL 3 | AMGEN INC. | | 11/15/2016. | MATURITY | | 750,000 | 750,000 | 760,980 | 752,080 | | (2,080) | | (2,080) | | 750,000 | | | 0 | 18,750 | 11/15/2016. |
| 74432Q BR 5 | PRUDENTIAL FINANCIAL INC. | | 05/12/2016. | MATURITY | | 500,000 | 500,000 | 499,630 | 499,971 | | 29 | | 29 | | 500,000 | | | 0 | 7,500 | 05/12/2016. |
| 961214 BZ 5 | WESTPAC BANKING CORP. | D | 09/01/2016. | TRANSFER | | 499,959 | 500,000 | 499,855 | 499,940 | | 20 | | 20 | | 499,963 | | | 0 | 8,000 | 01/12/2018. |
| 126650 CA 6 | CVS HEALTH CORP. | | 09/01/2016. | TRANSFER | | 224,992 | 225,000 | 224,915 | 224,973 | | 19 | | 19 | | 224,997 | | | 0 | 1,350 | 12/05/2016. |
| 91324P CK 6 | UNITEDHEALTH GROUP INC. | | 09/01/2016. | TRANSFER | | 499,957 | 500,000 | 499,905 | 499,926 | | 32 | | 32 | | 499,964 | | | 0 | 7,129 | 07/17/2017. |
| 842587 CN 5 | SOUTHERN CO. | | 09/01/2016. | TRANSFER | | 249,846 | 250,000 | 249,823 | | | 23 | | 23 | | 249,857 | | | 0 | | 07/01/2018. |
| 05565Q CX 4 | BP CAPITAL MARKETS PLC. | D | 09/01/2016. | TRANSFER | | 501,370 | 500,000 | 501,905 | 501,623 | | (253) | | (253) | | 501,320 | | | 0 | 11,575 | 02/13/2020. |
| 36159J DH 1 | GEMNT 2012-6 A. | | 09/01/2016. | TRANSFER | | 499,963 | 500,000 | 499,806 | 499,937 | | 26 | | 26 | | 499,968 | | | 0 | 4,533 | 08/17/2020. |
| 69353R DY 1 | PNC BANK NA. | | 09/01/2016. | TRANSFER | | 499,966 | 500,000 | 499,905 | 499,946 | | 20 | | 20 | | 499,970 | | | 0 | 3,750 | 10/18/2017. |
| 907818 EE 4 | UNION PACIFIC CORP. | | 09/01/2016. | TRANSFER | | 499,692 | 500,000 | 499,600 | 499,641 | | 51 | | 51 | | 499,702 | | | 0 | 5,625 | 06/19/2020. |
| 14041N EK 3 | COMET 2013-A1 A1. | | 01/15/2016. | CALLED BY ISSUER at 100.000. | | 230,000 | 230,000 | 229,965 | 230,000 | | | | 0 | | 230,000 | | | 0 | 121 | 11/15/2018. |
| 064159 EK 8 | BANK OF NOVA SCOTIA. | A | 09/01/2016. | TRANSFER | | 499,918 | 500,000 | 499,605 | 499,830 | | 88 | | 88 | | 499,936 | | | 0 | 3,125 | 04/11/2017. |
| 14041N ET 4 | COMET 2014-A5 A5. | | 09/01/2016. | TRANSFER | | 429,959 | 430,000 | 429,885 | 429,933 | | 27 | | 27 | | 429,964 | | | 0 | 4,243 | 07/15/2020. |
| 58013M EX 8 | MCDONALDS CORP. | | 09/01/2016. | TRANSFER | | 250,363 | 250,000 | 250,422 | 250,417 | | (54) | | (54) | | 250,352 | | | 0 | 3,438 | 12/09/2020. |
| 161571 FK 5 | CHAIT 2012-A4 A4. | | 09/01/2016. | TRANSFER | | 749,967 | 750,000 | 749,911 | 749,958 | | 9 | | 9 | | 749,968 | | | 0 | 7,900 | 08/16/2021. |
| 07387B FS 7 | BSCMS 2006-T22 A4. | | 02/01/2016. | MBS PAYMENT | | 112,608 | 112,608 | 127,652 | 112,952 | | (344) | | (344) | | 112,608 | | | 0 | 819 | 04/12/2038. |
| 17305E FU 4 | CCCIT 2014-A8 A8. | | 09/01/2016. | TRANSFER | | 400,000 | 400,000 | 399,944 | 399,988 | | 12 | | 12 | | 400,000 | | | 0 | 3,460 | 04/09/2020. |
| 172967 GP 0 | CITIGROUP INC. | | 04/01/2016. | MATURITY | | 250,000 | 250,000 | 249,705 | 249,975 | | 25 | | 25 | | 250,000 | | | 0 | 1,625 | 04/01/2016. |
| 02582J GS 3 | AMXCA 2014-2 A. | | 09/01/2016. | TRANSFER | | 179,999 | 180,000 | 179,996 | 179,999 | | 1 | | 1 | | 179,999 | | | 0 | 1,512 | 01/15/2020. |
| 459200 GU 9 | IBM CORP. | | 01/05/2016. | MATURITY | | 500,000 | 500,000 | 498,390 | 499,996 | | 4 | | 4 | | 500,000 | | | 0 | 5,000 | 01/05/2016. |
| 90261X HC 9 | UBS AG STAMFORD CT. | | 09/01/2016. | TRANSFER | | 499,481 | 500,000 | 498,390 | 499,122 | | 359 | | 359 | | 499,552 | | | 0 | 6,875 | 08/14/2017. |
| 46625H HW 3 | JPMORGAN CHASE & CO. | | 01/15/2016. | MATURITY | | 750,000 | 750,000 | 749,288 | 749,995 | | 6 | | 6 | | 750,000 | | | 0 | 9,750 | 01/15/2016. |
| 172967 HY 0 | CITIGROUP INC. | | 09/01/2016. | TRANSFER | | 499,774 | 500,000 | 499,300 | 499,618 | | 156 | | 156 | | 499,805 | | | 0 | 7,750 | 08/14/2017. |
| 69371R L2 0 | PACCAR FINANCIAL CORP. | | 02/08/2016. | MATURITY | | 300,000 | 300,000 | 299,592 | 299,986 | | 14 | | 14 | | 300,000 | | | 0 | 1,200 | 02/08/2016. |
| 637432 MN 2 | NATIONAL RURAL UTIL COOP. | | 02/16/2016. | CALLED BY ISSUER at 100.111 | | 175,194 | 175,000 | 174,659 | 174,988 | | 206 | | 206 | | 175,194 | | | 0 | 2,446 | 03/01/2016. |
| 446438 RH 8 | HUNTINGTON NATIONAL BANK. | | 09/01/2016. | TRANSFER | | 449,844 | 450,000 | 449,289 | 449,685 | | 159 | | 159 | | 449,875 | | | 0 | 3,094 | 04/24/2017. |
| 24422E SY 6 | JOHN DEERE CAPITAL CORP. | | 09/01/2016. | TRANSFER | | 499,521 | 500,000 | 499,390 | 499,443 | | 78 | | 78 | | 499,521 | | | 0 | 11,875 | 07/14/2020. |
| 78008S VD 5 | ROYAL BANK OF CANADA. | A | 09/01/2016. | TRANSFER | | 499,824 | 500,000 | 499,375 | 499,739 | | 84 | | 84 | | 499,840 | | | 0 | 7,500 | 01/16/2018. |
| 3899999. | Total - Bonds - Industrial and Miscellaneous. | | | | | 25,994,602 | 25,965,551 | 26,164,274 | 24,506,051 | 0 | (26,006) | 0 | (26,006) | 0 | 25,993,444 | 0 | 0 | 0 | 352,328 | XXX |
| 8399997. | Total - Bonds - Part 4. | | | | | 44,933,202 | 44,753,084 | 45,157,191 | 41,121,844 | 0 | (53,172) | 0 | (53,172) | 0 | 44,933,161 | 0 | 170 | 170 | 548,664 | XXX |
| 8399999. | Total - Bonds. | | | | | 44,933,202 | 44,753,084 | 45,157,191 | 41,121,844 | 0 | (53,172) | 0 | (53,172) | 0 | 44,933,161 | 0 | 170 | 170 | 548,664 | XXX |
| **Common Stocks - Mutual Funds** | | | | | | | | | | | | | | | | | | | | |
| PUERTO R1 9 | PUERTO RICO INVS TAX FREE FUND V. | | 09/01/2016. | TRANSFER | 457.000 | 3,501 | XXX | 3,501 | 4,227 | (726) | | | (726) | | 3,501 | | | 0 | | XXX |
| 9299999. | Total - Common Stocks - Mutual Funds. | | | | | 3,501 | XXX | 3,501 | 4,227 | (726) | 0 | 0 | (726) | 0 | 3,501 | 0 | 0 | 0 | 0 | XXX |

# SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | |
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest / Stock Dividends Received During Year | Stated Contractual Maturity Date |
| 9799997. | Total - Common Stocks - Part 4 | | | | | 3,501 | XXX | 3,501 | 4,227 | (726) | 0 | 0 | (726) | 0 | 3,501 | 0 | 0 | 0 | 0 | XXX |
| 9799999. | Total - Common Stocks | | | | | 3,501 | XXX | 3,501 | 4,227 | (726) | 0 | 0 | (726) | 0 | 3,501 | 0 | 0 | 0 | 0 | XXX |
| 9899999. | Total - Preferred and Common Stocks | | | | | 3,501 | XXX | 3,501 | 4,227 | (726) | 0 | 0 | (726) | 0 | 3,501 | 0 | 0 | 0 | 0 | XXX |
| 9999999. | Total - Bonds, Preferred and Common Stocks | | | | | 44,936,703 | XXX | 45,160,692 | 41,126,071 | (726) | (53,172) | 0 | (53,898) | 0 | 44,936,662 | 0 | 170 | 170 | 548,664 | XXX |

# Sch. D - Pt. 5
NONE

# Sch. D - Pt. 6 - Sn. 1
NONE

# Sch. D - Pt. 6 - Sn. 2
NONE

# SCHEDULE DA - PART 1

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

| 1 | 2 | Codes 3 | Codes 4 | 5 | 6 | 7 | 8 | Change in Book/Adjusted Carrying Value 9 | 10 | 11 | 12 | 13 | 14 | Interest 15 | 16 | 17 | 18 | 19 | 20 | 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CUSIP Identification | Description | Code | Foreign | Date Acquired | Name of Vendor | Maturity Date | Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Par Value | Actual Cost | Amount Due and Accrued December 31 of Current Year on Bond Not in Default | Nonadmitted Due and Accrued | Rate of | Effective Rate of | When Paid | Amount Received During Year | Paid for Accrued Interest |
| **Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations** | | | | | | | | | | | | | | | | | | | | |
| | IBM CORP. | | | 04/22/2016. | TORONTO DOMINION - US | 02/06/2017. | 250,130 | | (903) | | | 250,000 | 251,033 | 1,259 | | 1.250 | 0.714 | FA | 1,563 | 703 |
| 3299999. Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | 250,130 | 0 | (903) | 0 | 0 | 250,000 | 251,033 | 1,259 | 0 | XXX | XXX | XXX | 1,563 | 703 |
| 3899999. Total - Industrial & Miscellaneous (Unaffiliated) | | | | | | | 250,130 | 0 | (903) | 0 | 0 | 250,000 | 251,033 | 1,259 | 0 | XXX | XXX | XXX | 1,563 | 703 |
| **Total Bonds** | | | | | | | 250,130 | 0 | (903) | 0 | 0 | 250,000 | 251,033 | 1,259 | 0 | XXX | XXX | XXX | 1,563 | 703 |
| 7799999. Subtotals - Issuer Obligations | | | | | | | 250,130 | 0 | (903) | 0 | 0 | 250,000 | 251,033 | 1,259 | 0 | XXX | XXX | XXX | 1,563 | 703 |
| 8399999. Subtotals - Bonds | | | | | | | 250,130 | 0 | (903) | 0 | 0 | 250,000 | 251,033 | 1,259 | 0 | XXX | XXX | XXX | 1,563 | 703 |
| **Exempt Money Market Mutual Funds as Identified by the SVO** | | | | | | | | | | | | | | | | | | | | |
| 38141W 26 5 | GOLDMAN SACHS FIN SQ GOVT-AD | | | 12/29/2016. | DIRECT | XXX | 44,362,453 | | | | | | 44,362,453 | 349 | | 0.200 | 0.200 | MAT | | |
| 8899999. Total - Exempt Money Market Mutual Funds as Identified by the SVO | | | | | | | 44,362,453 | 0 | 0 | 0 | 0 | XXX | 44,362,453 | 349 | 0 | XXX | XXX | XXX | 0 | 0 |
| 9199999. Total - Short-Term Investments | | | | | | | 44,612,583 | 0 | (903) | 0 | 0 | XXX | 44,613,486 | 1,608 | 0 | XXX | XXX | XXX | 1,563 | 703 |

## Sch. DB - Pt. A - Sn. 1
NONE

## Sch. DB - Pt. A - Sn. 2
NONE

## Sch. DB - Pt. B - Sn. 1
NONE

## Sch. DB - Pt. B - Sn. 2
NONE

## Sch. DB - Pt. D - Sn. 1
NONE

## Sch. DB - Pt. D - Sn. 2
NONE

## Sch. DL - Pt. 1
NONE

## Sch. DL - Pt. 2
NONE

# SCHEDULE E - PART 1 - CASH

| 1<br>Depository | | 2<br>Code | 3<br>Rate of Interest | 4<br>Amount of Interest Received During Year | 5<br>Amount of Interest Accrued December 31 of Current Year | 6<br>Balance | 7<br>* |
|---|---|---|---|---|---|---|---|
| **Open Depositories** | | | | | | | |
| Banco Popular de Puerto Rico | Deposit Account | | | | | 9,326,920 | XXX |
| Banco Popular de Puerto Rico | Certificate of Deposit | | 0.650 | | | 600,000 | XXX |
| 0199999. Total - Open Depositories | | | | 0 | 0 | 9,926,920 | XXX |
| 0399999. Total Cash on Deposit | | XXX | XXX | 0 | 0 | 9,926,920 | XXX |
| 0599999. Total Cash | | XXX | XXX | 0 | 0 | 9,926,920 | XXX |

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

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1. January | 20,137,019 | 4. April | 34,150,489 | 7. July | 22,798,841 | 10. October | 18,073,821 |
| 2. February | 27,019,357 | 5. May | 21,507,400 | 8. August | 36,979,906 | 11. November | 13,488,878 |
| 3. March | 23,663,613 | 6. June | 20,629,595 | 9. September | 10,973,140 | 12. December | 9,926,920 |

# SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|---|---|---|---|---|---|---|---|

# NONE

# SCHEDULE E - PART 3 - SPECIAL DEPOSITS

| | 1 | 2 | Deposits for the Benefit of All Policyholders | | All Other Special Deposits | |
|---|---|---|---|---|---|---|
| | | | 3 | 4 | 5 | 6 |
| States, Etc. | Type of Deposit | Purpose of Deposit | Book/Adjusting Carrying Value | Fair Value | Book/Adjusting Carrying Value | Fair Value |
| 1. Alabama AL | | | | | | |
| 2. Alaska AK | | | | | | |
| 3. Arizona AZ | | | | | | |
| 4. Arkansas AR | | | | | | |
| 5. California CA | | | | | | |
| 6. Colorado CO | | | | | | |
| 7. Connecticut CT | | | | | | |
| 8. Delaware DE | | | | | | |
| 9. District of Columbia DC | | | | | | |
| 10. Florida FL | | | | | | |
| 11. Georgia GA | | | | | | |
| 12. Hawaii HI | | | | | | |
| 13. Idaho ID | | | | | | |
| 14. Illinois IL | | | | | | |
| 15. Indiana IN | | | | | | |
| 16. Iowa IA | | | | | | |
| 17. Kansas KS | | | | | | |
| 18. Kentucky KY | | | | | | |
| 19. Louisiana LA | | | | | | |
| 20. Maine ME | | | | | | |
| 21. Maryland MD | | | | | | |
| 22. Massachusetts MA | | | | | | |
| 23. Michigan MI | | | | | | |
| 24. Minnesota MN | | | | | | |
| 25. Mississippi MS | | | | | | |
| 26. Missouri MO | | | | | | |
| 27. Montana MT | | | | | | |
| 28. Nebraska NE | | | | | | |
| 29. Nevada NV | | | | | | |
| 30. New Hampshire NH | | | | | | |
| 31. New Jersey NJ | | | | | | |
| 32. New Mexico NM | | | | | | |
| 33. New York NY | | | | | | |
| 34. North Carolina NC | | | | | | |
| 35. North Dakota ND | | | | | | |
| 36. Ohio OH | | | | | | |
| 37. Oklahoma OK | | | | | | |
| 38. Oregon OR | | | | | | |
| 39. Pennsylvania PA | | | | | | |
| 40. Rhode Island RI | | | | | | |
| 41. South Carolina SC | | | | | | |
| 42. South Dakota SD | | | | | | |
| 43. Tennessee TN | | | | | | |
| 44. Texas TX | | | | | | |
| 45. Utah UT | | | | | | |
| 46. Vermont VT | | | | | | |
| 47. Virginia VA | | | | | | |
| 48. Washington WA | | | | | | |
| 49. West Virginia WV | | | | | | |
| 50. Wisconsin WI | | | | | | |
| 51. Wyoming WY | | | | | | |
| 52. American Samoa AS | | | | | | |
| 53. Guam GU | | | | | | |
| 54. Puerto Rico PR | C | Regulatory Purposes | 600,000 | 600,000 | | |
| 55. US Virgin Islands VI | | | | | | |
| 56. Northern Mariana Islands MP | | | | | | |
| 57. Canada CAN | | | | | | |
| 58. Aggregate Alien and Other OT | XXX | XXX | 0 | 0 | 0 | 0 |
| 59. Total | XXX | XXX | 600,000 | 600,000 | 0 | 0 |

DETAILS OF WRITE-INS

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

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

*1217820162240010 0*

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

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

*12178201622500100*

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# Relief Related to the Requirements for Audit Committees

*12178201622600100*

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* 1 2 1 7 8 2 0 1 6 3 6 5 0 0 0 0 0 *

# MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)
(To Be Filed By March 1)

NAIC Group Code....4812

NAIC Company Code.....12178

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

**NONE**

*12178201642000000*

# NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

## SCHEDULE SIS

STOCKHOLDER INFORMATION SUPPLEMENT

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

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

TO ANNUAL STATEMENT OF

**PMC Medicare Choice,LLC.**
COMPANY

## Sch. SIS-Page 2
## NONE

## Sch. SIS-Page 3
## NONE

## Sch. SIS-Page 4
## NONE

INNOVACARE
HEALTH SOLUTIONS

March 24th, 2017

Orlando Gonzalez-Rivera
President
Preferred Medicare Choice, LLC
Torre Chardon
350 Ave. Chardon, Suite 500
San Juan, PR 00918-2101

Dear Orlando,

Enclosed is our statement of actuarial opinion dated December 31, 2016.

This opinion is based on a review of actuarial liabilities and related items identified herein, as shown in the December 31, 2016 statutory annual statements for Preferred Medicare Choice, LLC. This opinion has been prepared for the sole purpose of attaching it to the above described annual statement, in accordance with the instructions for completing the health statement blank.

Publication or use of the opinion, except as specifically provided above is prohibited without our prior written consent.

I can be reached at (551) 574-8000 for any questions regarding this Actuarial Opinion.

Timothy Dickson ASA, MAAA
InnovaCare Services Company, LLC
AVP, Actuarial Services

173 Bridge Plaza North | Fort Lee, NJ 07024 | (201) 969-2300 | info@innovacarehealth.com | innovacarehealth.com

INNOVACARE
HEALTH SOLUTIONS

# Preferred Medicare Choice, LLC

Statement of Actuarial Opinion – 2016

## TABLE of KEY INDICATORS

This Opinion is: X Unqualified ☐ Qualified ☐ Adverse ☐ Inconclusive

IDENTIFICATION SECTION
X Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

SCOPE SECTION
X Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

RELIANCE SECTION
X Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

OPINION SECTION
☐ Prescribed Wording Only ☐ Prescribed Wording with Additional Wording X Revised Wording – removed 'and are at least as great as the minimum aggregate amounts required by any state' reference from section C.

RELEVANT COMMENTS
X Revised Wording

☐ The Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice

## Identification Section

I, Timothy Dickson, AVP, Actuarial Services, am an employee of InnovaCare Services Company, LLC, and a member of the American Academy of Actuaries. I was appointed on December 2nd, 2015 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

**Scope Section**

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of the organization as prepared for filing with state regulatory officials, as of December 31, 2016.

| | | |
|---|---|---|
| A. | Claims unpaid (Page 3, Line 1); | **$ 33,795,969** |
| B. | Accrued medical incentive pool and bonus payments (Page 3, Line 2); | **$ 14,110,993** |
| C. | Unpaid claims adjustment expenses (Page 3, Line 3); | **$ 277,560** |
| D. | Aggregate health policy reserves (Page 3, Line 4); | - |
| E. | Aggregate life policy reserves (Page 3, Line 5); | - |
| F. | Property/casualty unearned premium reserves (Page 3, Line 6); | - |
| G. | Aggregate health claim reserves (Page 3, Line 7); | - |
| H. | Any other loss reserves, actuarial liabilities, or related items presented as liabilities in the annual statement; | - |
| I. | Specified actuarial items presented as assets in the annual Statement; | - |

**Reliance Section**

In forming my opinion on items A, B, C, D, E, F, G, H, and I above I relied upon the following parties and items as certified in the attached statements:
Orlando Gonzalez, MMM/PMC President – Data and Provider Insolvency Risk
Carlos A. Vivaldi, CFO – Accounts Receivables, Manual Items, and Provider Insolvency Risk
Lilliana Negron-Rivera, VP, MSO of PR – Inventory Reporting and Provider Insolvency Risk
Waldemar Rios, CMO, MSO of PR – Bed Day Reporting and Provider Insolvency Risk
Vadim Potievsky, Director of Strategic Analytics, InnovaCare Services Company, LLC – Actuarial Data
Roberto Robledo, CFO, MSO of PR – IPA Star Assumptions and Provider Insolvency Risk

My examination included review of the actuarial assumptions and actuarial methods and of the underlying basic liability records and tests of the actuarial calculations as I considered necessary.

**Opinion Section**

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,

B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,

C. Meet the requirements of the Insurance Laws and regulations of the Commonwealth of Puerto Rico,

D. Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,

E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end,

F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

**Relevant Comment Section**

My review covered the effect on reserves of incentive contracts with service providers and potential provider insolvencies. Based upon this review and the opinion of the Company, I have no reason to believe that any party under contract to the Company is not in a financial position to meet all liabilities resulting from such contracts.

This statement of opinion is not based on an asset adequacy analysis.

The impact of the unanticipated events subsequent to the date of this opinion is beyond the scope of this opinion.

Signature of Actuary

Timothy Dickson
Printed Name of Actuary

173 Bridge Plaza North, Fort Lee, NJ 07024
Address of Actuary

(551) 574-8000
Telephone number of Actuary

March 24th, 2017
Date Opinion was Rendered

## Supp. Compensation Ex.-Interrogatories
NONE

## Supp. Compensation Ex.-Officers and Empoyees Compensation
NONE

## Supp. Compensation Ex.-Director Compensation
NONE

## Supp. Compensation Ex.-Narative Description of Material Factors
NONE

## A&H Policy Experience Ex.
NONE

## A&H Policy Experience Ex.
NONE

## A&H Policy Experience Ex.
NONE

## A&H Policy Experience Ex. - Pt. 1
NONE

## A&H Policy Experience Ex. - Pt. 2
NONE

## A&H Policy Experience Ex. - Pt. 3
NONE

## A&H Policy Experience Ex. - Pt. 4
NONE

Supplement for the year 2016 of the **PMC Medicare Choice,LLC.**

# SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

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

REPORT: 1. CORPORATION: PMC Medicare Choice,LLC. 2. LOCATION: San Juan PR

NAIC Group Code.....4812

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016

NAIC Company Code.....12178

| | Business Subject to MLR | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Comprehensive Health Coverage | | | Mini-Med Plans | | | Expatriate Plans | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | Individual | Small Group Employer | Large Group Employer | Individual | Small Group Employer | Large Group Employer | Small Group | Large Group | Student Health Plans | Government Business (Excluded by Statute) | Other Health Business | Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA | Subtotal (Cols 1 thru 12) | Uninsured Plans | Total (Cols 13 + 14) |
| 1. Premium: | | | | | | | | | | | | | | | |
| 1.1 Health premiums earned (From Part 2, Line 1.11) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 1.2 Federal high risk pools | | | | | | | | | | | | | 0 | XXX | 0 |
| 1.3 State high risk pools | | | | | | | | | | | | | 0 | XXX | 0 |
| 1.4 Premiums earned including state and federal high risk programs (Lines 1.1+1.2+1.3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 1.5 Federal taxes and federal assessments | | | | | | | | | | | | | 0 | XXX | 0 |
| 1.6 State insurance, premium and other taxes (Similar local taxes of $.....0) | | | | | | | | | | | | | 0 | | 0 |
| 1.6a Community benefit expenditures (informational only) | | | | | | | | | | | | | 0 | | 0 |
| 1.7 Regulatory authority licenses and fees | | | | | | | | | | | | | 0 | | 0 |
| 1.8 Adjusted premiums earned (Lines 1.4-1.5-1.6-1.7) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 1.9 Net assumed less ceded reinsurance premiums earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 1.10 Other adjustments due to MLR calculations - premiums | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 1.11 Risk revenue | | | | | | | | | | | | | 0 | XXX | 0 |
| 1.12 Net adjusted premiums earned after reinsurance (lines 1.8+1.9+1.10+1.11) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 2. Claims: | | | | | | | | | | | | | | | |
| 2.1 Incurred claims excluding prescription drugs | | | | | | | | | | | | | 0 | XXX | 0 |
| 2.2 Prescription drugs | | | | | | | | | | | | | 0 | XXX | 0 |
| 2.3 Pharmaceutical rebates | | | | | | | | | | | | | 0 | XXX | 0 |
| 2.4 State stop loss, market stabilization and claim/census based assessments (informational only) | | | | | | | | | | | | | 0 | XXX | 0 |
| 3. Incurred medical incentive pools and bonuses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 4. Deductible fraud and abuse detection/recovery expenses (for MLR use only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 5. 5.0 Total incurred claims (Lines 2.1+2.2-2.3+3) (From Part 2, Line 2.15) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | | 0 |
| 5.1 Net assumed less ceded reinsurance claims incurred | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 5.2 Other adjustments due to MLR calculations - claims | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 5.3 Rebates paid | | | | | | | | | | | | | 0 | XXX | 0 |
| 5.4 Estimated rebates unpaid prior year | | | | | | | | | | XXX | XXX | | 0 | XXX | 0 |
| 5.5 Estimated rebates unpaid current year | | | | | | | | | | XXX | XXX | | 0 | XXX | 0 |
| 5.6 Fee for service and co-pay revenue | | | | | | | | | | XXX | XXX | | 0 | XXX | 0 |
| 5.7 Net incurred claims after reinsurance (Lines 5.0+5.1+5.2+5.3-5.4+5.5-5.6) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 |
| 6. Improving health care quality expenses incurred: | | | | | | | | | | | | | | | |
| 6.1 Improve health outcomes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | | 0 |
| 6.2 Activities to prevent hospital readmissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | | 0 |
| 6.3 Improve patient safety and reduce medical errors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | | 0 |
| 6.4 Wellness and health promotion activities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | | 0 |
| 6.5 Health information technology expenses related to health improvement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | | 0 |
| 6.6 Total of defined expenses incurred for improving health care quality (Lines 6.1+6.2+6.3+6.4+6.5) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Preliminary medical loss ratio: MLR (Lines 4+5.0+6.6-Footnote 2.0) / Line 1.8 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | XXX | XXX | 0.000 | XXX | XXX | XXX |
| 8. Claims adjustment expenses: | | | | | | | | | | | | | | | |
| 8.1 Cost containment expenses not included in quality of care expenses in Line 6.6 | | | | | | | | | | | | | 0 | | 0 |
| 8.2 All other claims adjustment expenses | | | | | | | | | | | | | 0 | | 0 |
| 8.3 Total claims adjustment expenses (Lines 8.1+8.2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Claims adjustment expense ratio (Line 8.3 / Line 1.8) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | XXX | XXX | XXX |

NONE

216.1

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Supplement for the year 2016 of the **PMC Medicare Choice,LLC.**

# SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

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

REPORT: 1. CORPORATION: PMC Medicare Choice,LLC. 2. LOCATION: San Juan PR

NAIC Group Code.....4812

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016

NAIC Company Code.....12178

| | Business Subject to MLR | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Comprehensive Health Coverage | | | Mini-Med Plans | | | Expatriate Plans | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | Individual | Small Group Employer | Large Group Employer | Individual | Small Group Employer | Large Group Employer | Small Group | Large Group | Student Health Plans | Government Business (Excluded by Statute) | Other Health Business | Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA | Subtotal (Cols 1 thru 12) | Uninsured Plans | Total (Cols 13 + 14) |
| 10. General and administrative (G&A) expenses: | | | | | | | | | | | | | | | |
| 10.1 Direct sales salaries and benefits | | | | | | | | | | | | | 0 | | 0 |
| 10.2 Agents and brokers fees and commissions | | | | | | | | | | | | | 0 | | 0 |
| 10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below) | | | | | | | | | | | | | 0 | | 0 |
| 10.4 Other general and administrative expenses | | | | | | | | | | | | | 0 | | 0 |
| 10.4a Community benefits expenditures (informational only) | | | | | | | | | | | | | 0 | | 0 |
| 10.5 Total general and administrative (Lines 10.1+10.2+10.3+10.4) | | | | | | | | | | | | | 0 | | 0 |
| 11. Underwriting gain/(loss) (Lines 1.12-5.7-6.6-8.3-10.5) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Income from fees of uninsured plans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Net investment and other gain/(loss) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 | XXX | 0 |
| 14. Federal income taxes (excluding taxes on Line 1.5 above) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | 0 |
| 15. Net gain or (loss) (Lines 11+12+13-14) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX | 0 |
| 16. ICD-10 Implementation Expenses (information only, already included in general expenses and Line 6.5) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX | 0 |
| 16a. ICD-10 Implementation Expenses (information only; already included in Line 6.5) | | | | | | | | | | | | | 0 | XXX | 0 |
| **OTHER INDICATORS:** | | | | | | | | | | | | | 0 | | 0 |
| 1. Number of certificates/policies | | | | | | | | | | | | | 0 | | 0 |
| 2. Number of covered lives | | | | | | | | | | | | | 0 | | 0 |
| 3. Number of groups | XXX | | | XXX | | | | | | | | | 0 | | 0 |
| 4. Member months | | | | | | | | | | | | | 0 | | 0 |

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

**NONE**

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

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



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Supplement for the year 2016 of the **PMC Medicare Choice,LLC.**

# SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: PMC Medicare Choice,LLC. 2. LOCATION: San Juan PR

NAIC Group Code.....4812

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016

NAIC Company Code.....12178

| | Business Subject to MLR | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Comprehensive Health Coverage | | | Mini-Med Plans | | | Expatriate Plans | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| | Individual | Small Group Employer | Large Group Employer | Individual | Small Group Employer | Large Group Employer | Small Group | Large Group | Student Health Plans | Government Business (Excluded by Statute) | Other Health Business | Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA | Total (a) |
| 1. Health premiums earned: | | | | | | | | | | | | | |
| 1.1 Direct premiums written | | | | | | | | | | | | | 0 |
| 1.2 Unearned premium prior year | | | | | | | | | | | | | 0 |
| 1.3 Unearned premium current year | | | | | | | | | | | | | 0 |
| 1.4 Change in unearned premium (Lines 1.2 - 1.3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.5 Paid rate credits | | | | | | | | | | | | | 0 |
| 1.6 Reserve for rate credits current year | | | | | | | | | | | | | 0 |
| 1.7 Reserve for rate credits prior year | | | | | | | | | | | | | 0 |
| 1.8 Change in reserve for rate credits (Lines 1.6 -1.7) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.9 Premium balances written off | | | | | | | | | | | | | 0 |
| 1.10 Group conversion charges | | | | | | | | | | | | | 0 |
| 1.11 Total direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.12 Assumed premiums earned from non-affiliates | | | | | | | | | | | | | 0 |
| 1.13 Net assumed less ceded premiums earned from affiliates | | | | | | | | | | | | | 0 |
| 1.14 Ceded premiums earned to non-affiliates | | | | | | | | | | | | | 0 |
| 1.15 Other adjustments due to MLR calculation - premiums | | | | | | | | | | | | | 0 |
| 1.16 Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Direct claims incurred: | | | | | | | | | | | | | |
| 2.1 Paid claims during the year | | | | | | | | | | | | | 0 |
| 2.2 Direct claim liability current year | | | | | | | | | | | | | 0 |
| 2.3 Direct claim liability prior year | | | | | | | | | | | | | 0 |
| 2.4 Direct claim reserves current year | | | | | | | | | | | | | 0 |
| 2.5 Direct claim reserves prior year | | | | | | | | | | | | | 0 |
| 2.6 Direct contract reserves current year | | | | | | | | | | | | | 0 |
| 2.7 Direct contract reserves prior year | | | | | | | | | | | | | 0 |
| 2.8 Paid rate credits | | | | | | | | | | | | | 0 |
| 2.9 Reserve for rate credits current year | | | | | | | | | | | | | 0 |
| 2.10 Reserve for rate credits prior year | | | | | | | | | | | | | 0 |
| 2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.11a Paid medical incentive pools and bonuses current year | | | | | | | | | | | | | 0 |
| 2.11b Accrued medical incentive pools and bonuses current year | | | | | | | | | | | | | 0 |
| 2.11c Accrued medical incentive pools and bonuses prior year | | | | | | | | | | | | | 0 |
| 2.12 Net healthcare receivables (Lines 2.12a - 2.12b) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.12a Healthcare receivables current year | | | | | | | | | | | | | 0 |
| 2.12b Healthcare receivables prior year | | | | | | | | | | | | | 0 |
| 2.13 Group conversion charge | | | | | | | | | | | | | 0 |
| 2.14 Multi-option coverage blended rate adjustment | | | | | | | | | | | | | 0 |
| 2.15 Total incurred claims (Lines 2.1+2.2-2.3+2.4-2.5+2.6-2.7+2.8+2.9-2.10+2.11-2.12+2.13+2.14) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.16 Assumed incurred claims from non-affiliates | | | | | | | | | | | | | 0 |
| 2.17 Net assumed less ceded incurred claims from affiliates | | | | | | | | | | | | | 0 |
| 2.18 Ceded incurred claims to non-affiliates | | | | | | | | | | | | | 0 |
| 2.19 Other adjustments due to MLR calculation - claims | | | | | | | | | | | | | 0 |
| 2.20 Net incurred claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Fraud and abuse recoveries that reduced PAID claims in Line 2.1 above (informational only) | | | | | | | | | | | | | 0 |

NONE

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

# SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: PMC Medicare Choice,LLC. 2. LOCATION: San Juan PR

NAIC Group Code.....4812 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016 NAIC Company Code.....12178

| All Expenses | Improving Health Care Quality Expenses | | | | | | Claims Adjustment Expenses | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 Improve Health Outcomes | 2 Activities to Prevent Hospital Readmissions | 3 Improve Patient Safety and Reduce Medical Errors | 4 Wellness & Health Promotion Activities | 5 HIT Expenses | 6 Total (1 to 5) | 7 Cost Containment Expenses | 8 Other Claim Adjustment Expenses | 9 General Administrative Expenses | 10 Total Expenses (6 to 9) |
| 1. Individual comprehensive coverage expenses: | | | | | | | | | | |
| 1.1 Salaries (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 1.2 Outsourced services | | | | | | 0 | | | | 0 |
| 1.3 EDP equipment and software (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 1.4 Other equipment (excl. EDP) (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 1.5 Accreditation and certification (including $.....0 for affiliated services) | | XXX | XXX | XXX | XXX | 0 | | | | 0 |
| 1.6 Other expenses (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 1.7 Subtotal before reimbursements and taxes (Lines 1.1 to 1.6) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.8 Reimbursements by uninsured plans and fiscal intermediaries | | | | | | 0 | | | | 0 |
| 1.9 Taxes, licenses and fees (in total, for tying purposes) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | 0 |
| 1.10 Total (Lines 1.7 to 1.9) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only) | | | | | | 0 | | | | 0 |
| 2. Small group comprehensive coverage expenses: | | | | | | | | | | |
| 2.1 Salaries (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 2.2 Outsourced services | | | | | | 0 | | | | 0 |
| 2.3 EDP equipment and software (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 2.4 Other equipment (excl. EDP) (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 2.5 Accreditation and certification (including $.....0 for affiliated services) | | XXX | XXX | XXX | XXX | 0 | | | | 0 |
| 2.6 Other expenses (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 2.7 Subtotal before reimbursements and taxes (Lines 2.1 to 2.6) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.8 Reimbursements by uninsured plans and fiscal intermediaries | | | | | | 0 | | | | 0 |
| 2.9 Taxes, licenses and fees (in total, for tying purposes) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | 0 |
| 2.10 Total (Lines 2.7 to 2.9) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only) | | | | | | 0 | | | | 0 |
| 3. Large group comprehensive coverage expenses: | | | | | | | | | | |
| 3.1 Salaries (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 3.2 Outsourced services | | | | | | 0 | | | | 0 |
| 3.3 EDP equipment and software (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 3.4 Other equipment (excl. EDP) (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 3.5 Accreditation and certification (including $.....0 for affiliated services) | | XXX | XXX | XXX | XXX | 0 | | | | 0 |
| 3.6 Other expenses (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 3.7 Subtotal before reimbursements and taxes (Lines 3.1 to 3.6) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.8 Reimbursements by uninsured plans and fiscal intermediaries | | | | | | 0 | | | | 0 |
| 3.9 Taxes, licenses and fees (in total, for tying purposes) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | 0 |
| 3.10 Total (Lines 3.7 to 3.9) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only) | | | | | | 0 | | | | 0 |

NONE

# SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: PMC Medicare Choice,LLC. 2. LOCATION: San Juan PR

NAIC Group Code.....4812 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016 NAIC Company Code.....12178

| All Expenses | Improving Health Care Quality Expenses | | | | | | Claims Adjustment Expenses | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 Improve Health Outcomes | 2 Activities to Prevent Hospital Readmissions | 3 Improve Patient Safety and Reduce Medical Errors | 4 Wellness & Health Promotion Activities | 5 HIT Expenses | 6 Total (1 to 5) | 7 Cost Containment Expenses | 8 Other Claim Adjustment Expenses | 9 General Administrative Expenses | 10 Total Expenses (6 to 9) |
| 4. Individual mini-med plans expenses: | | | | | | | | | | |
| 4.1 Salaries (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 4.2 Outsourced services | | | | | | 0 | | | | 0 |
| 4.3 EDP equipment and software (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 4.4 Other equipment (excl. EDP) (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 4.5 Accreditation and certification (including $.....0 for affiliated services) | | XXX | XXX | XXX | XXX | 0 | | | | 0 |
| 4.6 Other expenses (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 4.7 Subtotal before reimbursements and taxes (Lines 4.1 to 4.6) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.8 Reimbursements by uninsured plans and fiscal intermediaries | | | | | | 0 | | | | 0 |
| 4.9 Taxes, licenses and fees (in total, for tying purposes) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | 0 |
| 4.10 Total (Lines 4.7 to 4.9) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only) | | | | | | 0 | | | | 0 |
| 5. Small group mini-med plans expenses: | | | | | | | | | | |
| 5.1 Salaries (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 5.2 Outsourced services | | | | | | 0 | | | | 0 |
| 5.3 EDP equipment and software (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 5.4 Other equipment (excl. EDP) (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 5.5 Accreditation and certification (including $.....0 for affiliated services) | | XXX | XXX | XXX | XXX | 0 | | | | 0 |
| 5.6 Other expenses (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 5.7 Subtotal before reimbursements and taxes (Lines 5.1 to 5.6) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.8 Reimbursements by uninsured plans and fiscal intermediaries | | | | | | 0 | | | | 0 |
| 5.9 Taxes, licenses and fees (in total, for tying purposes) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | 0 |
| 5.10 Total (Lines 5.7 to 5.9) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only) | | | | | | 0 | | | | 0 |
| 6. Large group mini-med plans expenses: | | | | | | | | | | |
| 6.1 Salaries (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 6.2 Outsourced services | | | | | | 0 | | | | 0 |
| 6.3 EDP equipment and software (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 6.4 Other equipment (excl. EDP) (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 6.5 Accreditation and certification (including $.....0 for affiliated services) | | XXX | XXX | XXX | XXX | 0 | | | | 0 |
| 6.6 Other expenses (including $.....0 for affiliated services) | | | | | | 0 | | | | 0 |
| 6.7 Subtotal before reimbursements and taxes (Lines 6.1 to 6.6) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.8 Reimbursements by uninsured plans and fiscal intermediaries | | | | | | 0 | | | | 0 |
| 6.9 Taxes, licenses and fees (in total, for tying purposes) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | 0 |
| 6.10 Total (Lines 6.7 to 6.9) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only) | | | | | | 0 | | | | 0 |

NONE

# SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: PMC Medicare Choice,LLC. 2. LOCATION: San Juan PR

NAIC Group Code.....4812 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016 NAIC Company Code.....12178

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

NONE

# SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT

(To Be Filed by April 1)

NAIC Group Code.....4812 NAIC Company Code.....12178

**Description of allocation methodology:**

# NONE

**Detailed Description of Quality Improvement Expenses:**

| Expense Type from Part 3 | New | Detailed Description of Expense |
|---|---|---|

# NONE

* 1 2 1 7 8 2 0 1 6 2 8 5 0 0 1 0 0 *

# SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended December 31, 2016

(To be filed by April 1)

Of PMC Medicare Choice,LLC.

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

NAIC Group Code.....4812 NAIC Company Code.....12178 Employer's ID Number.....660592131

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $.....91,846,072

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

| | 1<br>Issuer | 2<br>Description of Exposure | 3<br>Amount | 4<br>Percentage of Total Admitted Assets |
|---|---|---|---|---|
| 2.01 | Southern Co. | | $.....249,874 | .....0.272 % |
| 2.02 | Citizens Bank Na/Ri. | | $.....249,980 | .....0.272 % |
| 2.03 | Abbvie Inc. | | $.....253,989 | .....0.277 % |
| 2.04 | Bank Of America Corp. | | $.....749,758 | .....0.816 % |
| 2.05 | | | $..... | .....0.000 % |
| 2.06 | | | $..... | .....0.000 % |
| 2.07 | | | $..... | .....0.000 % |
| 2.08 | | | $..... | .....0.000 % |
| 2.09 | | | $..... | .....0.000 % |
| 2.10 | | | $..... | .....0.000 % |

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

| | Bonds | 1 | 2 |
|---|---|---|---|
| 3.01 | NAIC-1 | $.....76,163,624 | .....82.925 % |
| 3.02 | NAIC-2 | $.....1,503,601 | .....1.637 % |
| 3.03 | NAIC-3 | $..... | .....0.000 % |
| 3.04 | NAIC-4 | $..... | .....0.000 % |
| 3.05 | NAIC-5 | $..... | .....0.000 % |
| 3.06 | NAIC-6 | $..... | .....0.000 % |
| | **Preferred Stocks** | **3** | **4** |
| 3.07 | P/RP-1 | $..... | .....0.000 % |
| 3.08 | P/RP-2 | $..... | .....0.000 % |
| 3.09 | P/RP-3 | $..... | .....0.000 % |
| 3.10 | P/RP-4 | $..... | .....0.000 % |
| 3.11 | P/RP-5 | $..... | .....0.000 % |
| 3.12 | P/RP-6 | $..... | .....0.000 % |

4. Assets held in foreign investments:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | 1<br>Name of Issuer | 2 | 3 |
|---|---|---|---|
| 13.02 | | $ | 0.000 % |
| 13.03 | | $ | 0.000 % |
| 13.04 | | $ | 0.000 % |
| 13.05 | | $ | 0.000 % |
| 13.06 | | $ | 0.000 % |
| 13.07 | | $ | 0.000 % |
| 13.08 | | $ | 0.000 % |
| 13.09 | | $ | 0.000 % |
| 13.10 | | $ | 0.000 % |
| 13.11 | | $ | 0.000 % |

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

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

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

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

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

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

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

| | 1<br>Type (Residential, Commercial, Agricultural) | 2 | 3 |
|---|---|---|---|
| 16.02 | | $ | 0.000 % |
| 16.03 | | $ | 0.000 % |
| 16.04 | | $ | 0.000 % |
| 16.05 | | $ | 0.000 % |
| 16.06 | | $ | 0.000 % |
| 16.07 | | $ | 0.000 % |
| 16.08 | | $ | 0.000 % |
| 16.09 | | $ | 0.000 % |
| 16.10 | | $ | 0.000 % |
| 16.11 | | $ | 0.000 % |

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

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

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

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

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

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

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

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

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

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

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's admitted assets? Yes [X] No [ ]

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

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

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

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

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

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

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

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

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

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

## Long-Term Care Experience Reporting Form 1
NONE

## Long-Term Care Experience Reporting Form 2 - Individual
NONE

## Long-Term Care Experience Reporting Form 2 - Group
NONE

## Long-Term Care Experience Reporting Form 2 - Summary
NONE

## Long-Term Care Experience Reporting Form 3 - Individual
NONE

## Long-Term Care Experience Reporting Form 3 - Group
NONE

## Long-Term Care Experience Reporting Form 3 - Summary
NONE

## Long-Term Care Experience Reporting Form 4
NONE

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

REPORTING YEAR 2016

(To Be Filed By April 1)

NAIC Group Code: 4812

NAIC Company Code: 12178

NONE

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

*12178201635000100*

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**Membership**

Our primary source of revenue is monthly premium payments we received based on membership enrolled in our MA Plan and Medicaid Plan. The following table summarizes our MA-PD and PDP plan's membership as of the dates indicated.

On September 1, 2016 our MA contract was transferred to an affiliated company (refer to Note 21)

| | 2016 | 2015 |
|---|---|---|
| MA-PD | - | 26,350 |
| Medicaid | 147,495 | 154,403 |
| | 147,495 | 180,753 |

**Twelve Months Ended December 31, 2016**

| | 2016 | | 2015 | | Variance | Variance % |
|---|---|---|---|---|---|---|
| Revenue: | | | | | | |
| Premium revenue | $ 456,426 | 99.6% | $ 522,821 | 99.8% | $ (66,396) | -12.7% |
| Investment income | 2,059 | 0.4% | 913 | 0.2% | 1,146 | 125.4% |
| Total revenue | 458,485 | 100% | 523,735 | 100% | (65,250) | -12.5% |
| Operating expenses: | | | | | | |
| Medical costs | 399,871 | 87.2% | 453,577 | 86.6% | (53,706) | -11.8% |
| Selling, general and administrative | 55,683 | 12.1% | 71,932 | 13.7% | (16,249) | -22.6% |
| Total operating expenses | 455,554 | 99.4% | 525,508 | 100.3% | (69,955) | -13.3% |
| Income before income taxes | 2,931 | 0.6% | (1,773) | -0.3% | 4,705 | |
| Income tax expense | 225 | 0.0% | - | 0.0% | 225 | |
| Net Income | $ 2,706 | 0.6% | $ (1,773) | -0.3% | 4,479 | |

**Comparison of the year ended December 31, 2016 to the year ended December 31, 2015**

**Revenue**

Total revenue was $459 millions in the year ended December 31, 2016 as compared with $524 millions for the same period in 2015, representing a decrease of $65 million, or 12.5%. The components of revenue were as follows:

**Premium Revenue:**

Total premium revenue for the year ended December 31, 2016 was $456.4 millions as compared with $522.8 millions in the same period in 2015, representing a decrease of $66.4 millions, or 12.7%. The primary reason for such increase were as follows:

**Volume:**

Total member months were 1,973,793 for the year ended December 31, 2016 as compared to 1,748,928 for the year ended December 31, 2015 representing a increase of 224,865 member months or $67.2 millions in premiums.

Increase in membership is the net effect of increase in membership for Medicaid when compare with prior year since it started on April 2015 and decrease in Medicare Advantage membership due to the novation agreement described in noted 21.

**Rate/PMPM:**
Total premium revenue per member per month (PMPM) was $231 for the year ended December 31, 2016 as compared to $298 for the same period in 2015 representing a decrease of $66.4 millions.

Decrease in premium PMPM is mainly to the net effect of having Medicaid premiums for the entire 2016 year; which have a lower premium PMPM and decrease in Medicare Advantage premiums as a result of the novation causing a decrease in the PMPM since this line of business has a higher PMPM than Medicaid.

**Investment Income and other income:**
Investment income was $2.06 million for the year ended December 31, 2016 compared to $.91 million for the same period of 2015, reflecting a increase of $1.1 million, or 125%. Such increase is mainly to increase in investing activities.

**Medical Expense**
Total medical costs for the year ended December 31, 2016 $399.9 millions as compared with $453.6 millions in the same period for 2015, representing a decrease of $53.7 millions. The medical loss ratio (MLR) was 87.6% for the year ended December 31, 2016 as compared to 86.8% in the same period in 2015. The primary reason for such decrease were as follows:

**Volume:**
Total member months were 1,973,793 for the year ended December 31, 2016 as compared with 1,748,928 for the year ended December 31, 2015 representing an increase of 224,865 member months or $58.3 millions.

**Rate/PMPM:**
Total medical costs PMPM was $202.59 for the year ended December 31, 2016 as compared with $259.35 in the same period in 2015 representing a decrease of $133.7 millions; mainly due to increase in Hospital/medical benefits and the effect of the Medicare Advantage novation.

**Selling, General and Administrative Expense**
Selling, general and administrative expense, or "SG&A" for the twelve months ended December 31, 2016 was $71.9 millions as compared with $57.2 millions for the same period in 2015, a decrease of $16 millions, or 22%. Such decrease is mainly to the Medicare Advantage novation.