

ANNUAL STATEMENT

OF THE

MCS Health Management Options, Inc.

of

San Juan

in the state of

Puerto Rico

TO THE

Insurance Department

OF THE STATE OF

Puerto Rico

For the Year Ending
DECEMBER 31, 2014

2014



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE
MCS Health Management Options, Inc.

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

OFFICERS

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

OTHERS

DIRECTORS OR TRUSTEES

| | |
|------------------|-----------------------|
| James O'Drobinak | Alexander R. Castaldi |
| Carmen Conde | Jay H Wagner |
| Gerald Landgraf | Cyril Meduna |
| Daniel Agroskin | Paul S. Levy |
| Robert Van Hees | |

| | |
|-----------|-------------|
| State of | Puerto Rico |
| County of | USA |
| | ss |

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

| | | |
|----------------|-------------------|----------------|
| (Signature) | (Signature) | (Signature) |
| Jose Duran | David P. Schaffer | |
| (Printed Name) | (Printed Name) | (Printed Name) |
| 1. | 2. | 3. |
| President | CFO - Treasurer | |
| (Title) | (Title) | (Title) |

| | | |
|--|--------------------------------|--------------|
| Subscribed and sworn to before me this | a. Is this an original filing? | Yes[X] No[] |
| day of | b. If no, | |
| , 2015 | 1. State the amendment number | |
| | 2. Date filed | |
| | 3. Number of pages attached | |

(Notary Public Signature)

ASSETS

| | | Current Year | | | Prior Year |
|----------------------|---|--------------|--------------------|--------------------------------|---------------------|
| | | 1 | 2 | 3 | 4 |
| | | Assets | Nonadmitted Assets | Net Admitted Assets (Cols.1-2) | Net Admitted Assets |
| 1. | Bonds (Schedule D) | 74,022 | | 74,022 | 95,012 |
| 2. | Stocks (Schedule D) | | | | |
| 2.1 | Preferred stocks | | | | |
| 2.2 | Common Stocks | 242,774 | | 242,774 | 251,628 |
| 3. | Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 | First liens | | | | |
| 3.2 | Other than first liens | | | | |
| 4. | Real estate (Schedule A): | | | | |
| 4.1 | Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 | Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 | Properties held for sale (less \$.....0 encumbrances) | | | | |
| 5. | Cash (\$.....4,358,765, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) | 4,358,765 | | 4,358,765 | 5,931,491 |
| 6. | Contract loans (including \$.....0 premium notes) | | | | |
| 7. | Derivatives (Schedule DB) | | | | |
| 8. | Other invested assets (Schedule BA) | | | | |
| 9. | Receivables for securities | | | | |
| 10. | Securities Lending Reinvested Collateral Assets (Schedule DL) | | | | |
| 11. | Aggregate write-ins for invested assets | | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | 4,675,561 | | 4,675,561 | 6,278,131 |
| 13. | Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 14. | Investment income due and accrued | 511 | | 511 | 601 |
| 15. | Premiums and considerations: | | | | |
| 15.1 | Uncollected premiums and agents' balances in the course of collection | 1,366,982 | | 1,366,982 | 1,366,982 |
| 15.2 | Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) | | | | |
| 15.3 | Accrued retrospective premiums | | | | |
| 16. | Reinsurance: | | | | |
| 16.1 | Amounts recoverable from reinsurers | | | | |
| 16.2 | Funds held by or deposited with reinsured companies | | | | |
| 16.3 | Other amounts receivable under reinsurance contracts | | | | |
| 17. | Amounts receivable relating to uninsured plans | | | | |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | 701,560 | | 701,560 | 752,390 |
| 18.2 | Net deferred tax asset | | | | |
| 19. | Guaranty funds receivable or on deposit | | | | |
| 20. | Electronic data processing equipment and software | | | | |
| 21. | Furniture and equipment, including health care delivery assets (\$.....0) | | | | |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. | Receivables from parent, subsidiaries and affiliates | | | | |
| 24. | Health care (\$.....0) and other amounts receivable | | | | |
| 25. | Aggregate write-ins for other than invested assets | 5,000 | 5,000 | | |
| 26. | TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 6,749,614 | 5,000 | 6,744,614 | 8,398,104 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. | TOTAL (Lines 26 and 27) | 6,749,614 | 5,000 | 6,744,614 | 8,398,104 |
| DETAILS OF WRITE-INS | | | | | |
| 1101. | ..... |  |  |  |  |
| 1102. | ..... |  |  |  |  |
| 1103. | ..... |  |  |  |  |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. | TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. | Deposits | 5,000 | 5,000 | | |
| 2502. | ..... |  |  |  |  |
| 2503. | ..... |  |  |  |  |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 5,000 | 5,000 | | |

LIABILITIES, CAPITAL AND SURPLUS

| | | Current Year | | | Prior Year |
|----------------------|--|--------------|----------------|------------|-------------|
| | | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. | Claims unpaid (less \$.....0 reinsurance ceded) | 5,531,063 | | 5,531,063 | 8,538,633 |
| 2. | Accrued medical incentive pool and bonus amounts | | | | |
| 3. | Unpaid claims adjustment expenses | | | | |
| 4. | Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act | | | | |
| 5. | Aggregate life policy reserves | | | | |
| 6. | Property/casualty unearned premium reserves | | | | |
| 7. | Aggregate health claim reserves | | | | |
| 8. | Premiums received in advance | | | | |
| 9. | General expenses due or accrued | | | | |
| 10.1 | Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) | | | | |
| 10.2 | Net deferred tax liability | 9,944 | | 9,944 | 9,060 |
| 11. | Ceded reinsurance premiums payable | | | | |
| 12. | Amounts withheld or retained for the account of others | | | | |
| 13. | Remittances and items not allocated | | | | |
| 14. | Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) | | | | |
| 15. | Amounts due to parent, subsidiaries and affiliates | | | | |
| 16. | Derivatives | | | | |
| 17. | Payable for securities | | | | |
| 18. | Payable for securities lending | | | | |
| 19. | Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) | | | | |
| 20. | Reinsurance in unauthorized and certified (\$.....0) companies | | | | |
| 21. | Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 22. | Liability for amounts held under uninsured plans | | | | |
| 23. | Aggregate write-ins for other liabilities (including \$.....0 current) | 600,000 | | 600,000 | 600,000 |
| 24. | TOTAL Liabilities (Lines 1 to 23) | 6,141,007 | | 6,141,007 | 9,147,693 |
| 25. | Aggregate write-ins for special surplus funds | X X X | X X X | | |
| 26. | Common capital stock | X X X | X X X | 10,000 | 10,000 |
| 27. | Preferred capital stock | X X X | X X X | | |
| 28. | Gross paid in and contributed surplus | X X X | X X X | 1,430,000 | 1,430,000 |
| 29. | Surplus notes | X X X | X X X | | |
| 30. | Aggregate write-ins for other than special surplus funds | X X X | X X X | | |
| 31. | Unassigned funds (surplus) | X X X | X X X | (836,393) | (2,189,589) |
| 32. | Less treasury stock, at cost: | | | | |
| 32.1 |0 shares common (value included in Line 26 \$.....0) | X X X | X X X | | |
| 32.2 |0 shares preferred (value included in Line 27 \$.....0) | X X X | X X X | | |
| 33. | TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) | X X X | X X X | 603,607 | (749,589) |
| 34. | TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) | X X X | X X X | 6,744,614 | 8,398,104 |
| DETAILS OF WRITE-INS | | | | | |
| 2301. | Statutory deposit | 600,000 | | 600,000 | 600,000 |
| 2302. | ..... |  |  |  |  |
| 2303. | ..... |  |  |  |  |
| 2398. | Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. | TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | 600,000 | | 600,000 | 600,000 |
| 2501. | ..... | X X X | X X X | | |
| 2502. | ..... | X X X | X X X | | |
| 2503. | ..... | X X X | X X X | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | X X X | X X X | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | X X X | X X X | | |
| 3001. | ..... | X X X | X X X | | |
| 3002. | ..... | X X X | X X X | | |
| 3003. | ..... | X X X | X X X | | |
| 3098. | Summary of remaining write-ins for Line 30 from overflow page | X X X | X X X | | |
| 3099. | TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) | X X X | X X X | | |

STATEMENT OF REVENUE AND EXPENSES

| | | Current Year | | Prior Year |
|-----------------------|---|----------------|-------------|-------------|
| | | 1 Uncovered | 2 Total | 3 Total |
| 1. | Member Months | X X X | | |
| 2. | Net premium income (including \$.....0 non-health premium income) | X X X | | |
| 3. | Change in unearned premium reserves and reserve for rate credits | X X X | | |
| 4. | Fee-for-service (net of \$.....0 medical expenses) | X X X | | |
| 5. | Risk revenue | X X X | | |
| 6. | Aggregate write-ins for other health care related revenues | X X X | | |
| 7. | Aggregate write-ins for other non-health revenues | X X X | | |
| 8. | TOTAL Revenues (Lines 2 to 7) | X X X | | |
| Hospital and Medical: | | | | |
| 9. | Hospital/medical benefits | | (1,120,913) | 4,524,703 |
| 10. | Other professional services | | | |
| 11. | Outside referrals | | | |
| 12. | Emergency room and out-of-area | | | |
| 13. | Prescription drugs | | | |
| 14. | Aggregate write-ins for other hospital and medical | | | |
| 15. | Incentive pool, withhold adjustments and bonus amounts | | | |
| 16. | Subtotal (Lines 9 to 15) | | (1,120,913) | 4,524,703 |
| Less: | | | | |
| 17. | Net reinsurance recoveries | | | |
| 18. | TOTAL Hospital and Medical (Lines 16 minus 17) | | (1,120,913) | 4,524,703 |
| 19. | Non-health claims (net) | | | |
| 20. | Claims adjustment expenses, including \$.....0 cost containment expenses | | | |
| 21. | General administrative expenses | | 20,087 | 68,754 |
| 22. | Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) | | | |
| 23. | TOTAL Underwriting Deductions (Lines 18 through 22) | | (1,100,826) | 4,593,457 |
| 24. | Net underwriting gain or (loss) (Lines 8 minus 23) | X X X | 1,100,826 | (4,593,457) |
| 25. | Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 14,074 | 105,866 |
| 26. | Net realized capital gains (losses) less capital gains tax of \$.....0 | | | |
| 27. | Net investment gains (losses) (Lines 25 plus 26) | | 14,074 | 105,866 |
| 28. | Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] | | | |
| 29. | Aggregate write-ins for other income or expenses | | | |
| 30. | Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | X X X | 1,114,900 | (4,487,591) |
| 31. | Federal and foreign income taxes incurred | X X X | 51,410 | |
| 32. | Net income (loss) (Lines 30 minus 31) | X X X | 1,063,490 | (4,487,591) |
| DETAILS OF WRITE-INS | | | | |
| 0601. | ..... | X X X | | |
| 0602. | ..... | X X X | | |
| 0603. | ..... | X X X | | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | X X X | | |
| 0699. | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | X X X | | |
| 0701. | ..... | X X X | | |
| 0702. | ..... | X X X | | |
| 0703. | ..... | X X X | | |
| 0798. | Summary of remaining write-ins for Line 7 from overflow page | X X X | | |
| 0799. | TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) | X X X | | |
| 1401. | ..... |  |  |  |
| 1402. | ..... |  |  |  |
| 1403. | ..... |  |  |  |
| 1498. | Summary of remaining write-ins for Line 14 from overflow page | | | |
| 1499. | TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | | |
| 2901. | Interest expense | | | |
| 2902. | Miscellaneous | | | |
| 2903. | ..... |  |  |  |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | | | |
| 2999. | TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) | | | |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | | 1 | 2 |
|---------------------------|--|--------------|-------------|
| | | Current Year | Prior Year |
| CAPITAL & SURPLUS ACCOUNT | | | |
| 33. | Capital and surplus prior reporting year | (749,589) | 4,012,818 |
| 34. | Net income or (loss) from Line 32 | 1,063,490 | (4,487,591) |
| 35. | Change in valuation basis of aggregate policy and claim reserves | | |
| 36. | Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 | (10,679) | 37,005 |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. | Change in net deferred income tax | (884) | (5,551) |
| 39. | Change in nonadmitted assets | 301,270 | (306,270) |
| 40. | Change in unauthorized and certified reinsurance | | |
| 41. | Change in treasury stock | | |
| 42. | Change in surplus notes | | |
| 43. | Cumulative effect of changes in accounting principles | | |
| 44. | Capital Changes: | | |
| 44.1 | Paid in | | |
| 44.2 | Transferred from surplus (Stock Dividend) | | |
| 44.3 | Transferred to surplus | | |
| 45. | Surplus adjustments: | | |
| 45.1 | Paid in | | |
| 45.2 | Transferred to capital (Stock Dividend) | | |
| 45.3 | Transferred from capital | | |
| 46. | Dividends to stockholders | | |
| 47. | Aggregate write-ins for gains or (losses) in surplus | | |
| 48. | Net change in capital and surplus (Lines 34 to 47) | 1,353,197 | (4,762,407) |
| 49. | Capital and surplus end of reporting year (Line 33 plus 48) | 603,607 | (749,589) |
| DETAILS OF WRITE-INS | | | |
| 4701. | Statutory Deposits | | |
| 4702. | Statutory Deposits | | |
| 4703. | ..... |  |  |
| 4798. | Summary of remaining write-ins for Line 47 from overflow page | | |
| 4799. | TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) | | |

CASH FLOW

| | | 1 | 2 |
|---|---|--------------|------------|
| | | Current Year | Prior Year |
| Cash from Operations | | | |
| 1. | Premiums collected net of reinsurance | | 7,542,029 |
| 2. | Net investment income | 12,026 | 94,234 |
| 3. | Miscellaneous income | | |
| 4. | TOTAL (Lines 1 through 3) | 12,026 | 7,636,263 |
| 5. | Benefit and loss related payments | 1,891,657 | 4,948,282 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 20,087 | 70,207 |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | 580 | |
| 10. | TOTAL (Lines 5 through 9) | 1,912,324 | 5,018,489 |
| 11. | Net cash from operations (Line 4 minus Line 10) | (1,900,298) | 2,617,774 |
| Cash from Investments | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| 12.1 | Bonds | 23,128 | 647,245 |
| 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) | 23,128 | 647,245 |
| 13. | Cost of investments acquired (long-term only): | | |
| 13.1 | Bonds | | |
| 13.2 | Stocks | 1,825 | 1,893 |
| 13.3 | Mortgage loans | | |
| 13.4 | Real estate | | |
| 13.5 | Other invested assets | | |
| 13.6 | Miscellaneous applications | | |
| 13.7 | TOTAL Investments acquired (Lines 13.1 to 13.6) | 1,825 | 1,893 |
| 14. | Net increase (decrease) in contract loans and premium notes | | |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | 21,303 | 645,352 |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. | Cash provided (applied): | | |
| 16.1 | Surplus notes, capital notes | | |
| 16.2 | Capital and paid in surplus, less treasury stock | | |
| 16.3 | Borrowed funds | | |
| 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 | Dividends to stockholders | | |
| 16.6 | Other cash provided (applied) | 306,269 | (262,683) |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 306,269 | (262,683) |
| 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) | (1,572,726) | 3,000,443 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| 19.1 | Beginning of year | 5,931,491 | 2,931,048 |
| 19.2 | End of year (Line 18 plus Line 19.1) | 4,358,765 | 5,931,491 |

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

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|----------------------|--|-------------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. | Net premium income | | | | | | | | | | |
| 2. | Change in unearned premium reserves and reserve for rate credit | | | | | | | | | | |
| 3. | Fee-for-service (net of \$.....0 medical expenses) | | | | | | | | | | X X X |
| 4. | Risk revenue | | | | | | | | | | X X X |
| 5. | Aggregate write-ins for other health care related revenues | | | | | | | | | | X X X |
| 6. | Aggregate write-ins for other non-health care related revenues | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 7. | TOTAL Revenues (Lines 1 to 6) | | | | | | | | | | |
| 8. | Hospital/medical benefits | (1,120,913) | | | | | | | (1,120,913) | | X X X |
| 9. | Other professional services | | | | | | | | | | X X X |
| 10. | Outside referrals | | | | | | | | | | X X X |
| 11. | Emergency room and out-of-area | | | | | | | | | | X X X |
| 12. | Prescription drugs | | | | | | | | | | X X X |
| 13. | Aggregate write-ins for other hospital and medical | | | | | | | | | | X X X |
| 14. | Incentive pool, withhold adjustments and bonus amounts | | | | | | | | | | X X X |
| 15. | Subtotal (Lines 8 to 14) | (1,120,913) | | | | | | | (1,120,913) | | X X X |
| 16. | Net reinsurance recoveries | | | | | | | | | | X X X |
| 17. | TOTAL Hospital and Medical (Lines 15 minus 16) | (1,120,913) | | | | | | | (1,120,913) | | X X X |
| 18. | Non-health claims (net) | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 19. | Claims adjustment expenses including \$.....0 cost containment expenses | | | | | | | | | | |
| 20. | General administrative expenses | 20,087 | | | | | | | 20,087 | | |
| 21. | Increase in reserves for accident and health contracts | | | | | | | | | | X X X |
| 22. | Increase in reserves for life contracts | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 23. | TOTAL Underwriting Deductions (Lines 17 to 22) | (1,100,826) | | | | | | | (1,100,826) | | |
| 24. | Net underwriting gain or (loss) (Line 7 minus Line 23) | 1,100,826 | | | | | | | 1,100,826 | | |
| DETAILS OF WRITE-INS | | | | | | | | | | | |
| 0501. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 0502. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 0503. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 0598. | Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | | X X X |
| 0599. | TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | | X X X |
| 0601. | ..... |  | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0602. | ..... |  | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0603. | ..... |  | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0699. | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 1301. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 1302. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 1303. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 1398. | Summary of remaining write-ins for Line 13 from overflow page | | | | | | | | | | X X X |
| 1399. | TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) | | | | | | | | | | X X X |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

| | | 1 | 2 | 3 | 4 |
|------------------|--|--------------------|------------------------|----------------------|---|
| | | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Columns 1 + 2 - 3) |
| Line of Business | | | | | |
| 1. | Comprehensive (hospital and medical) ..... | ..... | ..... | ..... | ..... |
| 2. | Medicare Supplement ..... | ..... | ..... | ..... | ..... |
| 3. | Dental only ..... | ..... | ..... | ..... | ..... |
| 4. | Vision only ..... | ..... | ..... | ..... | ..... |
| 5. | Federal Employees Health Benefits Plan | N O N E |  | ..... | ..... |
| 6. | Title XVIII - Medicare ..... |  |  | ..... | ..... |
| 7. | Title XIX - Medicaid ..... |  |  | ..... | ..... |
| 8. | Other health ..... |  |  | ..... | ..... |
| 9. | Health subtotal (Lines 1 through 8) ..... | ..... | ..... | ..... | ..... |
| 10. | Life ..... | ..... | ..... | ..... | ..... |
| 11. | Property/casualty ..... | ..... | ..... | ..... | ..... |
| 12. | TOTALS (Lines 9 to 11) ..... | ..... | ..... | ..... | ..... |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-------------|--|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Payments during the year: | | | | | | | | | | |
| 1.1 Direct | 1,886,657 | | | | | | | 1,886,657 | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | |
| 1.4 Net | 1,886,657 | | | | | | | 1,886,657 | | |
| 2. Paid medical incentive pools and bonuses | | | | | | | | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 5,531,063 | | | | | | | 5,531,063 | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | |
| 3.4 Net | 5,531,063 | | | | | | | 5,531,063 | | |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | | | | | | | | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | |
| 4.4 Net | | | | | | | | | | |
| 5. Accrued medical incentive pools and bonuses, current year | | | | | | | | | | |
| 6. Net healthcare receivables (a) | | | | | | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | 8,538,633 | | | | | | | 8,538,633 | | |
| 8.2 Reinsurance assumed | | | | | | | | | | |
| 8.3 Reinsurance ceded | | | | | | | | | | |
| 8.4 Net | 8,538,633 | | | | | | | 8,538,633 | | |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | | | | | | | | | | |
| 9.2 Reinsurance assumed | | | | | | | | | | |
| 9.3 Reinsurance ceded | | | | | | | | | | |
| 9.4 Net | | | | | | | | | | |
| 10. Accrued medical incentive pools and bonuses, prior year | | | | | | | | | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | | | | | | | | | | |
| 12. Incurred benefits: | | | | | | | | | | |
| 12.1 Direct | (1,120,913) | | | | | | | (1,120,913) | | |
| 12.2 Reinsurance assumed | | | | | | | | | | |
| 12.3 Reinsurance ceded | | | | | | | | | | |
| 12.4 Net | (1,120,913) | | | | | | | (1,120,913) | | |
| 13. Incurred medical incentive pools and bonuses | | | | | | | | | | |

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|-----------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Compre- hensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Reported in Process of Adjustment: | | | | | | | | | | |
| 1.1 Direct | 4,977,225 | | | | | | | 4,977,225 | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | |
| 1.4 Net | 4,977,225 | | | | | | | 4,977,225 | | |
| 2. Incurred but Unreported: | | | | | | | | | | |
| 2.1 Direct | | | | | | | | | | |
| 2.2 Reinsurance assumed | | | | | | | | | | |
| 2.3 Reinsurance ceded | | | | | | | | | | |
| 2.4 Net | | | | | | | | | | |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | |
| 3.1 Direct | 553,838 | | | | | | | 553,838 | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | |
| 3.4 Net | 553,838 | | | | | | | 553,838 | | |
| 4. TOTALS | | | | | | | | | | |
| 4.1 Direct | 5,531,063 | | | | | | | 5,531,063 | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | |
| 4.4 Net | 5,531,063 | | | | | | | 5,531,063 | | |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

| | | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 | 6 |
|------------------------|--|---|--|---|--|--|---|
| | | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid December 31 of Prior Year | 4 On Claims Incurred During the Year | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| Line of Business | | | | | | | |
| 1. | Comprehensive (hospital and medical) ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 2. | Medicare Supplement ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | Dental only ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 4. | Vision only ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 5. | Federal Employees Health Benefits Plan ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 6. | Title XVIII - Medicare ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 7. | Title XIX - Medicaid | 1,886,657 | ..... | 5,531,063 | ..... | 7,417,720 | 8,538,633 |
| 8. | Other health ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 9. | Health subtotal (Lines 1 to 8) | 1,886,657 | ..... | 5,531,063 | ..... | 7,417,720 | 8,538,633 |
| 10. | Healthcare receivables (a) ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 11. | Other non-health ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 12. | Medical incentive pool and bonus amounts ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 13. | TOTALS (Lines 9 - 10 + 11 + 12) | 1,886,657 | ..... | 5,531,063 | ..... | 7,417,720 | 8,538,633 |

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

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

Grand Total

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
| | | 1 2010 | 2 2011 | 3 2012 | 4 2013 | 5 2014 |
| 1. | Prior | 143,474 | 145,287 | 145,287 | 145,534 | 145,534 |
| 2. | 2010 | 480,209 | 636,129 | 636,129 | 636,937 | 636,937 |
| 3. | 2011 | X X X | 829,132 | 890,206 | 894,099 | 895,986 |
| 4. | 2012 | X X X | X X X | | | |
| 5. | 2013 | X X X | X X X | X X X | | |
| 6. | 2014 | X X X | X X X | X X X | X X X | |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|-------------|---|-----------|-----------|-----------|-----------|
| | | 1 2010 | 2 2011 | 3 2012 | 4 2013 | 5 2014 |
| 1. | Prior | 145,315 | 145,287 | 145,287 | 145,534 | 145,534 |
| 2. | 2010 | 643,251 | 640,656 | 636,129 | 636,937 | 636,937 |
| 3. | 2011 | X X X | 888,638 | 898,164 | 901,634 | 901,517 |
| 4. | 2012 | X X X | X X X | | | |
| 5. | 2013 | X X X | X X X | X X X | | |
| 6. | 2014 | X X X | X X X | X X X | X X X | |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

| Years in Which Premiums were Earned and Claims were Incurred | | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|------------|-----------------------------|-----------------------------|---|--------------------------------|---|--------------------------------|---------------------------|--|---|---------------------------------|
| 1. | 2010 | 683,813 | 636,937 | | | 636,937 | 93.145 | | | 636,937 | 93.145 |
| 2. | 2011 | 928,397 | 895,986 | | | 895,986 | 96.509 | 5,531 | | 901,517 | 97.105 |
| 3. | 2012 | | | | | | | | | | |
| 4. | 2013 | | | | | | | | | | |
| 5. | 2014 | | | | | | | | | | |

12 Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare NONE

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

Title XIX - Medicaid

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
| | | 1 2010 | 2 2011 | 3 2012 | 4 2013 | 5 2014 |
| 1. | Prior | 143,474 | 145,287 | 145,287 | 145,534 | 145,534 |
| 2. | 2010 | 480,209 | 636,129 | 636,129 | 636,937 | 636,937 |
| 3. | 2011 | X X X | 829,132 | 890,206 | 894,099 | 895,986 |
| 4. | 2012 | X X X | X X X | | | |
| 5. | 2013 | X X X | X X X | X X X | | |
| 6. | 2014 | X X X | X X X | X X X | X X X | |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|-------------|---|-----------|-----------|-----------|-----------|
| | | 1 2010 | 2 2011 | 3 2012 | 4 2013 | 5 2014 |
| 1. | Prior | 145,315 | 145,287 | 145,287 | 145,534 | 145,534 |
| 2. | 2010 | 643,251 | 640,656 | 636,129 | 636,937 | 636,937 |
| 3. | 2011 | X X X | 888,638 | 898,164 | 901,634 | 901,517 |
| 4. | 2012 | X X X | X X X | | | |
| 5. | 2013 | X X X | X X X | X X X | | |
| 6. | 2014 | X X X | X X X | X X X | X X X | |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

| Years in Which Premiums were Earned and Claims were Incurred | | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|------------|-----------------------------|-----------------------------|---|--------------------------------|---|--------------------------------|---------------------------|--|---|---------------------------------|
| 1. | 2010 | 683,813 | 636,937 | | | 636,937 | 93.145 | | | 636,937 | 93.145 |
| 2. | 2011 | 928,397 | 895,986 | | | 895,986 | 96.509 | 5,531 | | 901,517 | 97.105 |
| 3. | 2012 | | | | | | | | | | |
| 4. | 2013 | | | | | | | | | | |
| 5. | 2014 | | | | | | | | | | |

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

| | | Claim Adjustment Expenses | | 3 | 4 | 5 |
|----------------------|--|---------------------------|---------------------------------|---------------------------------|---------------------|------------|
| | | 1 | 2 | | | |
| | | Cost Containment Expenses | Other Claim Adjustment Expenses | General Administrative Expenses | Investment Expenses | Total |
| 1. | Rent (\$.....0 for occupancy of own building) | | | | | |
| 2. | Salaries, wages and other benefits | | | | | |
| 3. | Commissions (less \$.....0 ceded plus \$.....0 assumed) | | | | | |
| 4. | Legal fees and expenses | | | | | |
| 5. | Certifications and accreditation fees | | | | | |
| 6. | Auditing, actuarial and other consulting services | | | | | |
| 7. | Traveling expenses | | | | | |
| 8. | Marketing and advertising | | | | | |
| 9. | Postage, express and telephone | | | | | |
| 10. | Printing and office supplies | | | | | |
| 11. | Occupancy, depreciation and amortization | | | | | |
| 12. | Equipment | | | | | |
| 13. | Cost or depreciation of EDP equipment and software | | | | | |
| 14. | Outsourced services including EDP, claims, and other services | | | | | |
| 15. | Boards, bureaus and association fees | | | 5,247 | | 5,247 |
| 16. | Insurance, except on real estate | | | | | |
| 17. | Collection and bank service charges | | | 3,232 | | 3,232 |
| 18. | Group service and administration fees | | | | | |
| 19. | Reimbursements by uninsured plans | | | | | |
| 20. | Reimbursements from fiscal intermediaries | | | | | |
| 21. | Real estate expenses | | | | | |
| 22. | Real estate taxes | | | | | |
| 23. | Taxes, licenses and fees: | | | | | |
| 23.1 | State and local insurance taxes | | | | | |
| 23.2 | State premium taxes | | | | | |
| 23.3 | Regulatory authority licenses and fees | | | | | |
| 23.4 | Payroll taxes | | | | | |
| 23.5 | Other (excluding federal income and real estate taxes) | | | 88 | | 88 |
| 24. | Investment expenses not included elsewhere | | | | 156 | 156 |
| 25. | Aggregate write-ins for expenses | | | 11,520 | | 11,520 |
| 26. | TOTAL Expenses Incurred (Lines 1 to 25) | | | 20,087 | 156 | (a) 20,244 |
| 27. | Less expenses unpaid December 31, current year | | | | | |
| 28. | Add expenses unpaid December 31, prior year | | | | | |
| 29. | Amounts receivable relating to uninsured plans, prior year | | | | | |
| 30. | Amounts receivable relating to uninsured plans, current year | | | | | |
| 31. | TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | | | 20,087 | 156 | 20,244 |
| DETAILS OF WRITE-INS | | | | | | |
| 2501. | Miscellaneous Expenses | | | 10,020 | | 10,020 |
| 2502. | Penalties | | | 1,500 | | 1,500 |
| 2503. | LAE Adjustment Expense | | | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | | | 11,520 | | 11,520 |

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

EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|---|---|--------------------------|-----------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. Government bonds | (a)..... 5,156 | 9,010 |
| 1.1 | Bonds exempt from U.S. tax | (a)..... | ..... |
| 1.2 | Other bonds (unaffiliated) | (a)..... | ..... |
| 1.3 | Bonds of affiliates | (a)..... | ..... |
| 2.1 | Preferred stocks (unaffiliated) | (b)..... | ..... |
| 2.11 | Preferred stocks of affiliates | (b)..... | ..... |
| 2.2 | Common stocks (unaffiliated) ..... | ..... | ..... |
| 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)..... 5,220 | 5,220 |
| 7. | Derivative instruments | (f)..... | ..... |
| 8. | Other invested assets ..... | ..... | ..... |
| 9. | Aggregate write-ins for investment income ..... | ..... | ..... |
| 10. | TOTAL Gross investment income | 10,376 | 14,230 |
| 11. | Investment expenses ..... | ..... | (g)..... 156 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes ..... | ..... | (g)..... |
| 13. | Interest expense ..... | ..... | (h)..... |
| 14. | Depreciation on real estate and other invested assets ..... | ..... | (i)..... |
| 15. | Aggregate write-ins for deductions from investment income ..... | ..... | ..... |
| 16. | TOTAL Deductions (Lines 11 through 15) ..... | ..... | ..... 156 |
| 17. | Net Investment income (Line 10 minus Line 16) ..... | ..... | ..... 14,074 |
| DETAILS OF WRITE-INS | | | |
| 0901. | ..... | ..... | ..... |
| 0902. | ..... | ..... | ..... |
| 0903. | ..... | ..... | ..... |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page ..... | ..... | ..... |
| 0999. | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) ..... | ..... | ..... |
| 1501. | ..... | ..... | ..... |
| 1502. | ..... | ..... | ..... |
| 1503. | ..... | ..... | ..... |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page ..... | ..... | ..... |
| 1599. | TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) ..... | ..... | ..... |
| (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. | | | |
| (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases. | | | |
| (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. | | | |
| (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances. | | | |
| (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. | | | |
| (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium. | | | |
| (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. | | | |
| (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes. | | | |
| (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets. | | | |

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1 | 2 | 3 | 4 | 5 |
|----------------------|---|---|-------------------------------|---|--|--|
| | | Realized Gain (Loss) on Sales or Maturity | Other Realized Adjustments | Total Realized Capital Gain (Loss) (Columns 1 + 2) | Change in Unrealized Capital Gain (Loss) | Change in Unrealized Foreign Exchange Capital Gain (Loss) |
| 1. | U.S. Government bonds ..... | ..... | ..... | ..... | ..... | ..... |
| 1.1 | Bonds exempt from U.S. tax ..... | ..... | ..... | ..... | ..... | ..... |
| 1.2 | Other bonds (unaffiliated) ..... | ..... | ..... | ..... | ..... | ..... |
| 1.3 | Bonds of affiliates ..... | ..... | ..... | ..... | ..... | ..... |
| 2.1 | Preferred stocks (unaffiliated) ..... | ..... | ..... | ..... | ..... | ..... |
| 2.11 | Preferred stocks of affiliates ..... | ..... | ..... | ..... | ..... | ..... |
| 2.2 | Common stocks (unaffiliated) ..... | ..... | ..... | ..... | ..... (10,679) | ..... |
| 2.21 | Common stocks of affiliates ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | Mortgage loans ..... | ..... | ..... | ..... | ..... | ..... |
| 4. | Real estate ..... | ..... | ..... | ..... | ..... | ..... |
| 5. | Contract loans ..... | ..... | ..... | ..... | ..... | ..... |
| 6. | Cash, cash equivalents and short-term investments ..... | ..... | ..... | ..... | ..... | ..... |
| 7. | Derivative instruments ..... | ..... | ..... | ..... | ..... | ..... |
| 8. | Other invested assets ..... | ..... | ..... | ..... | ..... | ..... |
| 9. | Aggregate write-ins for capital gains (losses) ..... | ..... | ..... | ..... | ..... | ..... |
| 10. | TOTAL Capital gains (losses) ..... | ..... | ..... | ..... | ..... (10,679) | ..... |
| DETAILS OF WRITE-INS | | | | | | |
| 0901. | ..... | ..... | ..... | ..... | ..... | ..... |
| 0902. | ..... | ..... | ..... | ..... | ..... | ..... |
| 0903. | ..... | ..... | ..... | ..... | ..... | ..... |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page .. | ..... | ..... | ..... | ..... | ..... |
| 0999. | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .. | ..... | ..... | ..... | ..... | ..... |

EXHIBIT OF NONADMITTED ASSETS

| | | 1 | 2 | 3 |
|----------------------|---|--|--|--|
| | | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. | Bonds (Schedule D) | | | |
| 2. | Stocks (Schedule D): | | | |
| 2.1 | Preferred stocks | | | |
| 2.2 | Common stocks | | | |
| 3. | Mortgage loans on real estate (Schedule B): | | | |
| 3.1 | First liens | | | |
| 3.2 | Other than first liens | | | |
| 4. | Real estate (Schedule A): | | | |
| 4.1 | Properties occupied by the company | | | |
| 4.2 | Properties held for the production of income | | | |
| 4.3 | Properties held for sale | | | |
| 5. | Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | | | |
| 6. | Contract loans | | | |
| 7. | Derivatives (Schedule DB) | | | |
| 8. | Other invested assets (Schedule BA) | | | |
| 9. | Receivables for securities | | | |
| 10. | Securities lending reinvested collateral assets (Schedule DL) | | | |
| 11. | Aggregate write-ins for invested assets | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | | | |
| 13. | Title plants (for Title insurers only) | | | |
| 14. | Invested income due and accrued | | | |
| 15. | Premium and considerations: | | | |
| 15.1 | Uncollected premiums and agents' balances in the course of collection | | | |
| 15.2 | Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| 15.3 | Accrued retrospective premiums | | | |
| 16. | Reinsurance: | | | |
| 16.1 | Amounts recoverable from reinsurers | | | |
| 16.2 | Funds held by or deposited with reinsured companies | | | |
| 16.3 | Other amounts receivable under reinsurance contracts | | | |
| 17. | Amounts receivable relating to uninsured plans | | | |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | | | |
| 18.2 | Net deferred tax asset | | | |
| 19. | Guaranty funds receivable or on deposit | | | |
| 20. | Electronic data processing equipment and software | | | |
| 21. | Furniture and equipment, including health care delivery assets | | | |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| 23. | Receivables from parent, subsidiaries and affiliates | | 306,270 | 306,270 |
| 24. | Health care and other amounts receivable | | | |
| 25. | Aggregate write-ins for other than invested assets | 5,000 | | (5,000) |
| 26. | TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 5,000 | 306,270 | 301,270 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. | TOTAL (Lines 26 and 27) | 5,000 | 306,270 | 301,270 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | Deposits | | | |
| 1102. | ..... |  |  |  |
| 1103. | ..... |  |  |  |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | | |
| 1199. | TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | |
| 2501. | Deposits | 5,000 | | (5,000) |
| 2502. | ..... |  |  |  |
| 2503. | ..... |  |  |  |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 5,000 | | (5,000) |

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 ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 2. | Provider Service Organizations ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | Preferred Provider Organizations ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 4. | Point of Service ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 5. | Indemnity Only ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 6. | Aggregate write-ins for other lines of business ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 7. | TOTAL ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| DETAILS OF WRITE-INS | | | | | | | |
| 0601. | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0602. | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0603. | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0699. | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) ..... | ..... | ..... | ..... | ..... | ..... | ..... |

NONE

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--|-------------|--------------|--------------|--------------|-------------|-----------|
| Name of Debtor | 1 - 30 Days | 31 - 60 Days | 61 - 90 Days | Over 90 Days | Nonadmitted | Admitted |
| 0199999 TOTAL Individuals | | | | | | |
| 0299998 Premiums due and unpaid not individually listed | | | | | | |
| 0299999 TOTAL Group | | | | | | |
| 0399999 Premiums due and unpaid from Medicare entities | | | | | | |
| 0499999 Premiums due and unpaid from Medicaid entities | | | | 1,366,982 | ..... | 1,366,982 |
| 0599999 Accident and health premiums due and unpaid (Page 2, Line 15) .. | | | | 1,366,982 | ..... | 1,366,982 |

19 Exhibit 3 - Health Care Receivables NONE

20 Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued NONE

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)
Aging Analysis of Unpaid Claims

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--|-------------|--------------|--------------|---------------|---------------|-----------|
| Account | 1 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | Over 120 Days | Total |
| 0299999 Aggregate Accounts Not Individually Listed - Uncovered | | | | | | |
| 0399999 Aggregate Accounts Not Individually Listed - Covered | | | | | 4,977,255 | 4,977,255 |
| 0499999 Subtotals | | | | | 4,977,255 | 4,977,255 |
| 0599999 Unreported claims and other claim reserves | | | | | | |
| 0699999 TOTAL Amounts Withheld | | | | | | 553,838 |
| 0799999 TOTAL Claims Unpaid | | | | | | 5,531,093 |
| 0899999 Accrued Medical Incentive Pool and Bonus Amounts | | | | | | |

22 Exhibit 5 - Amounts Due From Parent NONE

23 Exhibit 6 - Amounts Due to Parent NONE

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

| 1 | 2 | 3 | 4 | 5 | 6 |
|----------------------|----------------------|---|----------------------------|---------------------------------------|---|
| NAIC Code | Name of Intermediary | Capitation Paid | Average Monthly Capitation | Intermediary's Total Adjusted Capital | Intermediary's Authorized Control Level RBC |
| | | <div style="border: 1px solid black; padding: 10px; text-align: center;"> N O N E </div> | | | |
| | | | | | |
| 9999999 TOTALS ..... |  | ..... | ..... X X X | X X X | X X X |

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

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

Notes to Financial Statements

MCS Health Management Options, Inc. (the Company) is a health maintenance organization operating under the provisions of the Insurance Code and Insurance Regulations of the Commonwealth of Puerto Rico. All of the Company's business activities are in the Commonwealth of Puerto Rico, which expose the Company to geographical risk. The Company is ultimately wholly owned by Medical Card System, Inc. (MCS).

The Company exclusively served medically indigent persons, as defined, under the Mi Salud Program (Mi Salud) through a contract with the Puerto Rico Health Insurance Administration (the Administration).

The Company elected not to renew its Mi Salud contract with the Administration and allowed it expires as of June 30, 2011. The Company entered in a transition agreement with the Administration (effective July 1, 2011 through October 31, 2011) to serve the regions for a negotiated rate while allowing the Administration to contract with a new insurance company. As of September 30, 2014, the Company is still in a run-out period, where it continues to pay claims incurred prior to November 1, 2011. The Company expects to complete the run-out period during 2015.

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

| <u>NET INCOME</u> | | <u>State of</u> <u>Domicile</u> | <u>2014</u> | <u>2013</u> |
|---------------------------------|----|------------------------------------|-------------|----------------|
| (1) MCS HMO, Inc. state basis | PR | \$ | 1,063,490 | \$ (4,487,591) |
| State Prescribed Practices that | | | | |
| (2) increase / (decrease) | PR | | - | - |
| State Permitted Practices that | | | | |
| (3) increase / (decrease) | PR | | - | - |
| (4) NAIC SAP (1-2-3=4) | PR | \$ | 1,063,490 | \$ (4,487,591) |
| <u>SURPLUS</u> | | | | |
| (5) MCS HMO, Inc. state basis | PR | \$ | 603,607 | \$ (749,589) |
| State Prescribed Practices that | | | | |
| (6) increase / (decrease) | PR | | - | - |
| State Permitted Practices that | | | | |
| (7) increase / (decrease) | PR | | - | - |
| (8) NAIC SAP (5-6-7=8) | PR | \$ | 603,607 | \$ (749,589) |

B. Use of Estimates

Management used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with the NAIC Accounting Practices and Procedures Manual. Actual results could differ from those estimates.

C. Accounting Policies

Premiums are recorded as revenue when due. Expenses incurred in connection to the acquisition of business, such as sales and broker commissions, are charged to operations as incurred. The Company carries its premium receivables net of allowances for doubtful amounts based on the evaluation of the aging and other factors that deserve recognition. Certain assets designated as "non-admitted assets" have been excluded from the statutory statements of admitted assets, liabilities and capital and surplus by a charge to surplus.

Non-admitted assets as of December 31, 2014 consist of \$5,000 of a deposit.

Notes to Financial Statements

In addition, the company uses the following accounting policies:

- 1) Basis of valuation of short term investments - Short-term investments include debt securities with maturities of one year or less at the time of purchase and are stated at amortized cost, which approximates fair value.
- 2) Basis of valuation of bonds - Debt securities are valued in accordance with rules promulgated by the NAIC. Debt securities eligible for amortization under such rules (classified 1 through 5 by the Securities and Valuation Office (SVO) of the NAIC) are stated at amortized cost net of unamortized premiums and/or discounts. Debt securities classified 6 by the SVO are stated at the lower of amortized cost or fair market value.
- 3) Basis of valuation of common stocks – Investments in common stocks are presented at estimated fair value. Unrealized gains or losses on investments in common stock are accounted as direct increases or decreases in surplus.
- 4) Basis of valuation of preferred stock - None.
- 5) The company has no mortgage loans or real state.
- 6) The Company applies the provisions of SAP No. 43, Loan-Backed and Structured Securities (SSAP No. 43), which requires insurers to separate other-than-temporary impairments between interest and noninterest-related declines in the value of all loan-backed and structured securities. Premiums and discounts are amortized or accreted over the life of the investment as an adjustment to yield using the effective-interest method. Interest and dividend income are recognized when earned. Realized gains or losses on the sale of investments are included in the statutory statements of operations and are determined on a specific-identification basis.
- 7) The company does not have investments in subsidiaries or affiliated entities.
- 8) The company does not have investments in joint venture, partnership and limited liability entities.
- 9) The company does not invest in derivatives.
- 10) The company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- 11) Independent care providers such as hospitals, physicians, clinics, and others provide health services under contractual arrangements. Services rendered to insured members are billed and paid on a fee-for-service basis up to established limits based on eligible members. Also, there are contracts with various independent professional associations (IPAs) for certain medical care services to insured members. The IPAs are compensated based on capitation basis, and a portion of the capitation payments is retained to provide for incurred but not reported claims.

Claim payables represent accrued medical claims and related expenses (hospitalization and other outside medical services) for amounts billed and not paid and an estimate of cost incurred for unbilled services provided to the balance sheet date based on experience and accumulated statistical data on claims processed, incomplete and unreported. The above liabilities are necessarily based on estimates and, while management believes that the amounts are adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in current operations.
- 12) The company has not modified its capitalization policy from the prior period.
- 13) The company estimate anticipated pharmacy rebates receivable using the analysis of historical recovery.

2. Accounting Changes and Corrections of Errors

None

Notes to Financial Statements

3. Business Combinations and Goodwill

- A. Statutory purchase method – None
- B. Statutory merger – None
- C. Assumption reinsurance – None
- D. Impairment loss – None

4. Discontinued Operations

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

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

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable
- B. Debt Restructuring – None
- C. Reverse Mortgages – None
- D. Loan-Backed Securities
 - 1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker dealer survey values or internal estimates.
 - 2) No OTTI Recognized during 2014. The company performs regular evaluation of its securities holdings in order to evaluate whether such investments are other than temporarily impaired.
- E. Repurchase Agreements and/or Securities Lending Transactions – None
- F. Real Estate – None
- G. Low-income housing tax credits (LHITC) – None

Notes to Financial Statements

H. Restricted Assets

1. Restricted Assets (Including Pledged)

| | | 1 | 2 | 3 | 4 | 5 | 6 |
|---------------------------|--|---|---|---|---|---|---|
| Restricted Asset Category | | Total Gross Restricted from Current Year | Total Gross Restricted From Prior Year | Increase / (Decrease) (1 minus 2) | Total Current Year Admitted Restricted | Percentage Gross Restricted to Total Assets | Percentage Admitted Restricted to Total Admitted Assets |
| a. | Subject to contractual obligation for which liability is not shown | \$ - | \$ - | \$ - | \$ - | 0% | 0% |
| b. | Collateral held under security lending agreements | | | - | | | |
| c. | Subject to repurchase agreements | | | - | | | |
| d. | Subject to reverse repurchase agreements | | | - | | | |
| e. | Subject to dollar repurchase agreements | | | - | | | |
| f. | Subject to dollar reverse repurchase agreements | | | - | | | |
| g. | Placed under option contracts | | | - | | | |
| h. | Letter stock or securities restricted as to sale | | | - | | | |
| i. | On deposit with states | 600,667 | 600,627 | 40 | 600,667 | 9% | 9% |
| j. | On deposit with other regulatory bodies | | | - | | | |
| k. | Pledged as collateral not captured in other categories | | | - | | | |
| l. | Other restricted assets | | | - | | | |
| m. | Total Restricted Assets | \$ 600,667 | \$ 600,627 | \$ 40 | \$ 600,667 | 9% | 9% |

At December 31, 2014, the Company has on deposit with state of \$600,667 from de Commissioner of Insurance of Puerto Rico.

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

3. Detail of Other Restricted Assets - None

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The company has no investment in joint ventures, partnerships or limited liability companies.
- B. Write downs for impairments of joint ventures, partnerships or limited liability companies – Non applicable.

7. Investment Income

- A. Interest income is recognized when earned. Realized gains and losses from the sale of securities are determined using the specific identification method for determining the cost of the security sold.
- B. The company did not have any non-admitted due and accrued investment income as of December 31, 2014.

8. Derivative Instruments

None

9. Income Taxes

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

- A. The component of the net deferred tax assets (liabilities) at December 31, 2014 are as follow:

Notes to Financial Statements

| | | | | | | | | | |
|------------------------------|------------|------------|-----------------|------------|------------|-----------------|-----------------|-----------------|-----------------|
| 1. | 12/31/2014 | | | 12/31/2013 | | | Change | | |
| | -1 | -2 | -3 (Col 1+2) | -4 | -5 | -6 (Col 4+5) | -7 (Col 1-4) | -8 (Col 2-5) | -9 (Col 7+8) |
| | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Gross Deferred Tax | | | | | | | | | |
| (a) Assets | | \$ - | \$ - | | \$ - | \$ - | \$ - | \$ - | \$ - |
| Statutory Valuation | | | | | | | | | |
| (b) Allow ance Adjustment | - | - | - | - | - | - | - | - | - |
| Adjusted Gross | | | | | | | | | |
| Deferred Tax Assets | | | | | | | | | |
| (c) (1a-1b) | - | - | - | - | - | - | - | - | - |
| Deferred Tax Assets | | | | | | | | | |
| (d) Nonadmitted | | - | - | | - | - | - | - | - |
| Subtotal net Admitted | | | | | | | | | |
| Deferred Tax Asset (1c- | | | | | | | | | |
| (e) 1d) | - | - | - | - | - | - | - | - | - |
| (f) Deferred Tax Liabilities | - | 9,944 | 9,944 | - | 9,060 | 9,060 | - | 884 | 884 |
| Net Admitted Deferred | | | | | | | | | |
| Tax Asset / (Net | | | | | | | | | |
| Deferred Tax Liability) | | | | | | | | | |
| (g) (1e-1f) | \$ - | \$ (9,944) | \$ (9,944) | \$ - | \$ (9,060) | \$ (9,060) | \$ - | \$ (884) | \$ (884) |

- B. The company has \$9,944 in deferred tax liabilities as of December 31, 2014.
- C. No significant changes of income tax incurred.
- D. The company is a qualified domestic insurance company, which was incorporated under the law of the Commonwealth of Puerto Rico. The company is exempt from federal income tax.
- E. Operating loss and tax credit carry forwards – None
- F. Consolidated federal income tax return – None

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

- A. (A,B, C & F) MCS, the parent company, provide administrative services to the Company. These services includes claims processing, network administration, medical management, enrollment and other administrative services. Fees for these services are based on membership served. As of December 31, 2014, administrative charges under the service agreement amounted to \$0.
- D. At December 31, 2014, the company does not have any amount due to parent company.
- E. There are no guarantees or undertaking for the benefit of a subsidiary or affiliated party.
- G. All outstanding shares of the company are owned by the Parent Company.
- H. The company owns no shares of the stock of its parent or any of its affiliates.
- I. Investment in subsidiaries – None
- J. Write down for impairment of investments in affiliates – Not applicable
- K. Investment in foreign insurance subsidiaries – Not applicable
- L. Investment in downstream noninsurance holding companies – None

11. Debt

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

Notes to Financial Statements

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

- A. The company has no defined benefit plan.
- B. Defined Contribution Plans – Not applicable.
- C. The company does not participate in a multiemployer plan.
- D. The company does not participate in a consolidated/holding company plan.
- E. Compensated vacation - None.
- F. Impact or Medicare Modernization Act on postretirement benefit – Not applicable.

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

- 1) The company has 1,000,000 shares authorized, 10,000 share issued and outstanding. All shares are common stocks, \$1 par value.
- 2) The company has no preferred stock authorized.
- 3) (3, 4 & 5) The Company’s surplus is restricted as to payment of dividends by statutory limitations applicable to insurance companies. As a condition to the approval of the Company’s RBC Plan, the Company must obtain authorization from the Commissioner of Insurance prior to the payment of any dividends.

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

| | |
|----------------------|-------------------|
| Accumulated earnings | \$ 841,393 |
| Non-admitted assets | <u>(5,000)</u> |
| Unassigned surplus | <u>\$ 836,393</u> |

On March 18, 2008, the Commonwealth of Puerto Rico enacted Law No. 32 (the Law) to add a new Chapter 45, Risk-Based Capital (RBC), to the Insurance Code of Puerto Rico. The Law will require, among other things, that all insurance companies, including all health insurance organizations, authorized to conduct business in Puerto Rico comply with the RBC requirements as adopted by the NAIC, to file each year an RBC report with the NAIC and the Commissioner of Insurance on or before March 31 and maintain a RBC requirement of 200%. The Law states that the Commissioner of Insurance will provide a ruling whereby a compliance transition period of five years will be established. On January 5, 2010, a ruling (Rule 92 or the Rule) was approved by the Commissioner of Insurance to establish the requirements to implement the Law. Rule 92 establishes a phased transition period of five years to comply with the minimum 200% RBC requirements depending on the RBC of the Company at the Rule’s effective date.

The Company elected not to renew its Mi Salud contract with the Administration. As of December 31, 2011, the Company is in a run-out period, as defined in the transition agreement, where it continues to pay claims incurred prior to November 1, 2011. In March 2013, the Company submitted to the Commissioner of Insurance an action plan for the remainder of the run-out period. As part of the action plan, the Company requested and was granted an exemption from compliance with RBC requirements for the year December 31, 2012 by the Commissioner of Insurance through a letter dated April 3, 2013.

- 6) Unassigned funds – None
- 7) There have been no advances to surplus.
- 8) Amount of stock held by the company for special purposes - \$0
- 9) Change in the balance of special surplus funds from prior year – Not applicable

Notes to Financial Statements

10) The portion of unassigned funds surplus represented or (reduced) by each item below is as follows:

Unrealized gain and losses – (\$39,777)

11) The company has not issued any surplus note or debentures or similar obligations.

12) Impact of quasi-reorganizations – Not applicable.

13) Date of quasi-reorganizations – Not applicable.

14. Contingencies

A. Contingent commitments – None

B. Assessment – None

C. Gain contingencies – None

D. Extra contractual obligations – None

E. All Other Contingencies - None

15. Leases

A. Lessee Leasing Arrangements – None

B. Lesser Leasing Arrangements – None

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

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

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

A. Transfers of Receivables Reported as Sales – None

B. Transfer and Servicing of Financial Assets – None

C. Wash Sales – None

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

A. ASO Plans – None

B. ASC Plans – None

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

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

None

Notes to Financial Statements

20. Fair Value Measurements

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

- 1) Included in various investment-related line items in the statutory financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock when carried at the lower of cost or market.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

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

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

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

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

The following table presents the fair value hierarchy level for the company’s assets and liabilities that are measured at fair market value at December 31, 2014.

Notes to Financial Statements

(1) Fair Value Measurements at reporting Date

| Description for each class of asset or liability | 2014 | | | |
|---|-----------|------------|-----------|------------|
| | (Level 1) | (Level 2) | (Level 3) | Total |
| Assets at fair value | | | | |
| Bonds | | | | |
| Us Treasury Securities and Us Obligation of the US Gov Instr and States | | | | \$ - |
| Mortgage-backed Sec | - | 74,022 | | 74,022 |
| Obligation of the Commonwealth of PR and its Instrumentalities | | | | - |
| Common and Preferred Stock | - | 242,774 | | 242,774 |
| Money markets Funds | 22,863 | | | 22,863 |
| Total Bonds | \$ 22,863 | \$ 316,796 | \$ - | \$ 339,659 |
| Total assets at fair value | \$ 22,863 | \$ 316,796 | \$ - | \$ 339,659 |

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

3) No transfers into or out of Level 3.

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

B. Other Fair Value disclosures – None

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

| Type of financial Instruments | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) |
|--|----------------------|-----------------|-----------|------------|-----------|----------------------------------|
| Bonds | \$ 79,628 | \$ 74,022 | | \$ 74,022 | | |
| Common Stock | \$ 242,774 | \$ 242,774 | | \$ 242,774 | | |
| Cash, cash equivalent and short-term investments | 4,358,765 | 4,358,765 | 4,358,765 | | | |

D. Financial instruments for which it is not practicable to estimate fair value – None

21. Other Items

- A. Extraordinary Items – Not applicable
- B. Troubled Debt Restructuring – Not applicable
- C. A Certificate of deposits with an aggregate value of \$606,667 is deposited with the Commissioner of Insurance to comply with deposit requirements of the Insurance Code.
- D. Business Interruption Insurance Recoveries – Not applicable
- E. State Transferable and Non Transferable Tax Credits – Not applicable
- F. Subprime-Mortgage Related Risk Exposure - None

Notes to Financial Statements

- G. Retained Assets – None
- H. Offsetting and Netting of Assets and Liabilities – None
- I. Joint and Several Liabilities – None

22. Events Subsequent

None

23. Reinsurance

- A. Ceded Reinsurance Report

Section 1 – General Interrogatories – None

Section 2 – Ceded Reinsurance Report Part A – None

Section 3 – Ceded Reinsurance Report Part B – None

- B. As of December 31, 2014, the Company had no uncollectible reinsurance balances written off through income and expenses.
- C. The company has not commuted any ceded reinsurance during the year.
- D. Certified Reinsurer Downgraded or Status Subject to revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2013 were \$8,538,633. As of December 31, 2014 \$1,886,657 has been paid for incurred medical cost and claims adjustment expense attributable to insured events of prior year. Reserves remaining for prior year are now \$5,531,063 as result of re-estimation of unpaid claims and claims adjustment expenses.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

None

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

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[]
Puerto Rico
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2008
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

12/31/2012
- 3.4 By what department or departments?
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

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

Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

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

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

| 1 Nationality | 2 Type of Entity |
|------------------|---------------------|
| | |

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG- San Juan Office
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[] No[] N/A[X]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
None
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$00

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?

13.3 Have there been any changes made to any of the trust indentures during the year?

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[X] N/A[]

Yes[] No[] N/A[X]

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?

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

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

14.1.3 Compliance with applicable governmental laws, rules and regulations;

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

14.1.5 Accountability for adherence to the code.

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

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

14.2.1 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?

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

Yes[X] No[]

Yes[] No[X]

Yes[] No[X]

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?

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.

Yes[] No[X]

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

BOARD OF DIRECTORS

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

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

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[]

Yes[X] No[]

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):

20.1.1 To directors or other officers

20.1.2 To stockholders not officers

20.1.3 Trustees, supreme or grand (Fraternal only)

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

20.2.1 To directors or other officers

20.2.2 To stockholders not officers

20.2.3 Trustees, supreme or grand (Fraternal only)

\$000

\$000

\$000

\$000

\$000

\$000

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

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

21.2.1 Rented from others

21.2.2 Borrowed from others

21.2.3 Leased from others

21.2.4 Other

Yes[] No[X]

\$000

\$000

\$000

\$000

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

22.2 If answer is yes:

22.2.1 Amount paid as losses or risk adjustment

22.2.2 Amount paid as expenses

22.2.3 Other amounts paid

Yes[] No[X]

\$000

\$000

\$000

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

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

Yes[] No[X]

\$000

INVESTMENT

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

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

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

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

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?

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

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[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

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

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

\$ 0

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

\$ 0

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

\$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

\$ 0

25.22 Subject to reverse repurchase agreements

\$ 0

25.23 Subject to dollar repurchase agreements

\$ 0

25.24 Subject to reverse dollar repurchase agreements

\$ 0

25.25 Placed under option agreements

\$ 0

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$ 0

25.27 FHLB Capital Stock

\$ 0

25.28 On deposit with states

\$ 600,667

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 | 2 | 3 |
|-----------------------|-------------|--------|
| Nature of Restriction | Description | Amount |
| | | |

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]
- If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1 | 2 |
|-----------------------------|---|
| Name of Custodian(s) | Custodian's Address |
| Consultiva Securities | Scotiabank, Suite 1201, 273 Ponce de Leon, Hato Rey, PR |

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

| 1 | 2 | 3 |
|---------|-------------|-------------------------|
| Name(s) | Location(s) | 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 | 2 | 3 | 4 |
|---------------|---------------|----------------|--------|
| Old Custodian | New Custodian | Date of Change | Reason |
| | | | |

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

| 1 | 2 | 3 |
|---|---------|---------|
| Central Registration Depository Number(s) | Name | Address |
| 0 | 0 | 0 |

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[] No[X]
- 29.2 If yes, complete the following schedule:

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

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

GENERAL INTERROGATORIES (Continued)

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

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No[]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[X] No[] N/A[]

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

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[] No[X]

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0

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

| 1 | 2 |
|------|-------------|
| Name | Amount Paid |
| | |

34.1 Amount of payments for legal expenses, if any?

\$..... 0

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

| 1 | 2 |
|------|-------------|
| Name | Amount Paid |
| | |

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

\$..... 0

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

| 1 | 2 |
|------|-------------|
| Name | Amount Paid |
| | |

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

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

\$ 0

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

\$ 0

1.31 Reason for excluding:

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

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6 Individual policies - Most current three years:

1.61 TOTAL Premium earned

\$ 0

1.62 TOTAL Incurred claims

\$ 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 TOTAL Premium earned

\$ 0

1.65 TOTAL Incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 TOTAL Premium earned

\$ 0

1.72 TOTAL Incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 TOTAL Premium earned

\$ 0

1.75 TOTAL Incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

| | | 1 | 2 |
|-----|---------------------------------|--------------|------------|
| | | Current Year | Prior Year |
| 2.1 | Premium Numerator ..... | ..... | ..... |
| 2.2 | Premium Denominator ..... | ..... | ..... |
| 2.3 | Premium Ratio (2.1 / 2.2) ..... | ..... | ..... |
| 2.4 | Reserve Numerator | 5,531,063 | 8,538,633 |
| 2.5 | Reserve Denominator | 5,531,063 | 8,538,633 |
| 2.6 | Reserve Ratio (2.4 / 2.5) | 1.000 | 1.000 |

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X] N/A[]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[] No[X]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 0

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

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

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 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 between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[] No[X]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 0

10.22 Amount actually paid for year bonuses

\$ 0

10.23 Maximum amount payable withholds

\$ 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[X] No[]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such net worth.

Puerto Rico

11.4 If yes, show the amount required.

\$ 600,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

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

| 1 |
|----------------------|
| Name of Service Area |
| Puerto Rico |

13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0

13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?

Yes[] No[] N/A[X]

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

GENERAL INTERROGATORIES (Continued)

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

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
- 15.2 Number of covered lives

..... 0

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

FIVE-YEAR HISTORICAL DATA

| | 1 2014 | 2 2013 | 3 2012 | 4 2011 | 5 2010 |
|--|-------------|-------------|-------------|--------------|--------------|
| BALANCE SHEET (Pages 2 and 3) | | | | | |
| 1. TOTAL Admitted Assets (Page 2, Line 28) | 6,744,614 | 8,398,104 | 13,536,405 | 81,146,903 | 189,510,303 |
| 2. TOTAL Liabilities (Page 3, Line 24) | 6,141,007 | 9,147,693 | 9,523,587 | 79,718,269 | 170,615,938 |
| 3. Statutory surplus | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| 4. TOTAL Capital and Surplus (Page 3, Line 33) | 603,607 | (749,589) | 4,012,818 | 1,428,633 | 18,894,365 |
| INCOME STATEMENT (Page 4) | | | | | |
| 5. TOTAL Revenues (Line 8) | | | | 931,129,413 | 683,813,126 |
| 6. TOTAL Medical and Hospital Expenses (Line 18) | (1,120,913) | 4,524,703 | | 888,368,587 | 634,490,172 |
| 7. Claims adjustment expenses (Line 20) | | | | 13,955,181 | 8,456,160 |
| 8. TOTAL Administrative Expenses (Line 21) | 20,087 | 68,754 | 329,761 | 45,667,891 | 30,640,768 |
| 9. Net underwriting gain (loss) (Line 24) | 1,100,826 | (4,593,457) | (329,761) | (16,862,246) | 10,226,026 |
| 10. Net investment gain (loss) (Line 27) | 14,074 | 105,866 | 1,068,593 | 1,229,809 | 942,120 |
| 11. TOTAL Other Income (Lines 28 plus 29) | | | | | (1,700,000) |
| 12. Net income or (loss) (Line 32) | 1,063,490 | (4,487,591) | 738,832 | (15,539,596) | 5,788,911 |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | (1,900,298) | 2,617,774 | (3,910,072) | (36,892,443) | (13,059,002) |
| RISK-BASED CAPITAL ANALYSIS | | | | | |
| 14. TOTAL Adjusted Capital | 603,607 | (749,589) | 4,012,818 | 1,428,633 | 18,894,365 |
| 15. Authorized control level risk-based capital | 45,958 | 842,825 | 51,428 | 31,667,434 | 15,827,947 |
| ENROLLMENT (Exhibit 1) | | | | | |
| 16. TOTAL Members at End of Period (Column 5, Line 7) | | | | | 826,056 |
| 17. TOTAL Members Months (Column 6, Line 7) | | | | 8,467,659 | 6,176,905 |
| OPERATING PERCENTAGE (Page 4) | | | | | |
| (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0 | | | | | |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) | | | | 95.4 | 92.8 |
| 20. Cost containment expenses | | | | | |
| 21. Other claims adjustment expenses | | | | 1.5 | 1.2 |
| 22. TOTAL Underwriting Deductions (Line 23) | | | | 101.8 | 98.5 |
| 23. TOTAL Underwriting Gain (Loss) (Line 24) | | | | (1.8) | 1.5 |
| UNPAID CLAIMS ANALYSIS | | | | | |
| (U&I Exhibit, Part 2B) | | | | | |
| 24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) | 7,417,720 | 12,482,980 | 69,032,661 | 163,810,681 | 81,871,761 |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] | 8,538,633 | 7,958,277 | 69,032,661 | 164,529,189 | 90,632,410 |
| INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) | | | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) | | | | | |
| 29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) | | | | | |
| 30. Affiliated mortgage loans on real estate | | | | | |
| 31. All other affiliated | | | | | |
| 32. TOTAL of Above Lines 26 to 31 | | | | | |
| 33. TOTAL Investment in Parent Included in Lines 26 to 31 above | | | | | |

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

If no, please explain::



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:
BUSINESS IN THE STATE OF PUERTO RICO DURING THE YEAR
NAIC Group Code 1301 NAIC Company Code 95779

| | 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 | | | | | | | | | | |
| 2. First Quarter | | | | | | | | | | |
| 3. Second Quarter | | | | | | | | | | |
| 4. Third Quarter | | | | | | | | | | |
| 5. Current Year | | | | | | | | | | |
| 6. Current Year Member Months | | | | | | | | | | |
| TOTAL Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | | | | | | | | | | |
| 8. Non-Physician | | | | | | | | | | |
| 9. TOTAL | | | | | | | | | | |
| 10. Hospital Patient Days Incurred | | | | | | | | | | |
| 11. Number of Inpatient Admissions | | | | | | | | | | |
| 12. Health Premiums Written (b) | | | | | | | | | | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | | | | | | | | | | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 1,886,657 | | | | | | | | 1,886,657 | |
| 18. Amount Incurred for Provision of Health Care Services | (1,120,913) | | | | | | | | (1,120,913) | |

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:
BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR
NAIC Group Code 1301 NAIC Company Code 95779

| | 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 | | | | | | | | | | |
| 2. First Quarter | | | | | | | | | | |
| 3. Second Quarter | | | | | | | | | | |
| 4. Third Quarter | | | | | | | | | | |
| 5. Current Year | | | | | | | | | | |
| 6. Current Year Member Months | | | | | | | | | | |
| TOTAL Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | | | | | | | | | | |
| 8. Non-Physician | | | | | | | | | | |
| 9. TOTAL | | | | | | | | | | |
| 10. Hospital Patient Days Incurred | | | | | | | | | | |
| 11. Number of Inpatient Admissions | | | | | | | | | | |
| 12. Health Premiums Written (b) | | | | | | | | | | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | | | | | | | | | | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 1,886,657 | | | | | | | | 1,886,657 | |
| 18. Amount Incurred for Provision of Health Care Services | (1,120,913) | | | | | | | | (1,120,913) | |

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0

30 Grand Total

31 Schedule S - Part 1 - Section 2 NONE

32 Schedule S - Part 2 NONE

33 Schedule S - Part 3 - Section 2 NONE

34 Schedule S - Part 4 NONE

35 Schedule S - Part 5 NONE

36 Schedule S - Part 6 NONE

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

| | 1 As Reported (net of ceded) | 2 Restatement Adjustments | 3 Restated (gross of ceded) |
|---|------------------------------------|---------------------------------|-----------------------------------|
| ASSETS (Page 2, Col. 3) | | | |
| 1. Cash and invested assets (Line 12) | 4,675,561 | | 4,675,561 |
| 2. Accident and health premiums due and unpaid (Line 15) | 1,366,982 | | 1,366,982 |
| 3. Amounts recoverable from reinsurers (Line 16.1) | | | |
| 4. Net credit for ceded reinsurance | X X X | | |
| 5. All other admitted assets (Balance) | 702,070 | | 702,070 |
| 6. TOTAL Assets (Line 28) | 6,744,614 | | 6,744,614 |
| LIABILITIES, CAPITAL AND SURPLUS (Page 3) | | | |
| 7. Claims unpaid (Line 1) | 5,531,063 | | 5,531,063 |
| 8. Accrued medical incentive pool and bonus payments (Line 2) | | | |
| 9. Premiums received in advance (Line 8) | | | |
| 10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount) | | | |
| 11. Reinsurance in unauthorized companies (Line 20 minus inset amount) | | | |
| 12. Reinsurance with Certified Reinsurers (Line 20 inset amount) | | | |
| 13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount) | | | |
| 14. All other liabilities (Balance) | 609,944 | | 609,944 |
| 15. TOTAL Liabilities (Line 24) | 6,141,007 | | 6,141,007 |
| 16. TOTAL Capital and Surplus (Line 33) | 603,607 | X X X | 603,607 |
| 17. TOTAL Liabilities, Capital and Surplus (Line 34) | 6,744,614 | | 6,744,614 |
| NET CREDIT FOR CEDED REINSURANCE | | | |
| 18. Claims unpaid | | | |
| 19. Accrued medical incentive pool | | | |
| 20. Premiums received in advance | | | |
| 21. Reinsurance recoverable on paid losses | | | |
| 22. Other ceded reinsurance recoverables | | | |
| 23. TOTAL Ceded Reinsurance Recoverables | | | |
| 24. Premiums receivable | | | |
| 25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers | | | |
| 26. Unauthorized reinsurance | | | |
| 27. Reinsurance with Certified Reinsurers | | | |
| 28. Funds held under reinsurance treaties with Certified Reinsurers | | | |
| 29. Other ceded reinsurance payables/offsets | | | |
| 30. TOTAL Ceded Reinsurance Payables/Offsets | | | |
| 31. TOTAL Net Credit for Ceded Reinsurance | | | |

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

| DETAILS OF WRITE-INS | | | | | | | | | | |
|---|-------|--|--|--|--|--|--|--|--|--|
| 58001. | X X X | | | | | | | | | |
| 58002. | X X X | | | | | | | | | |
| 58003. | X X X | | | | | | | | | |
| 58998.Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | | | | | |
| 58999.TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X | | | | | | | | | |

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

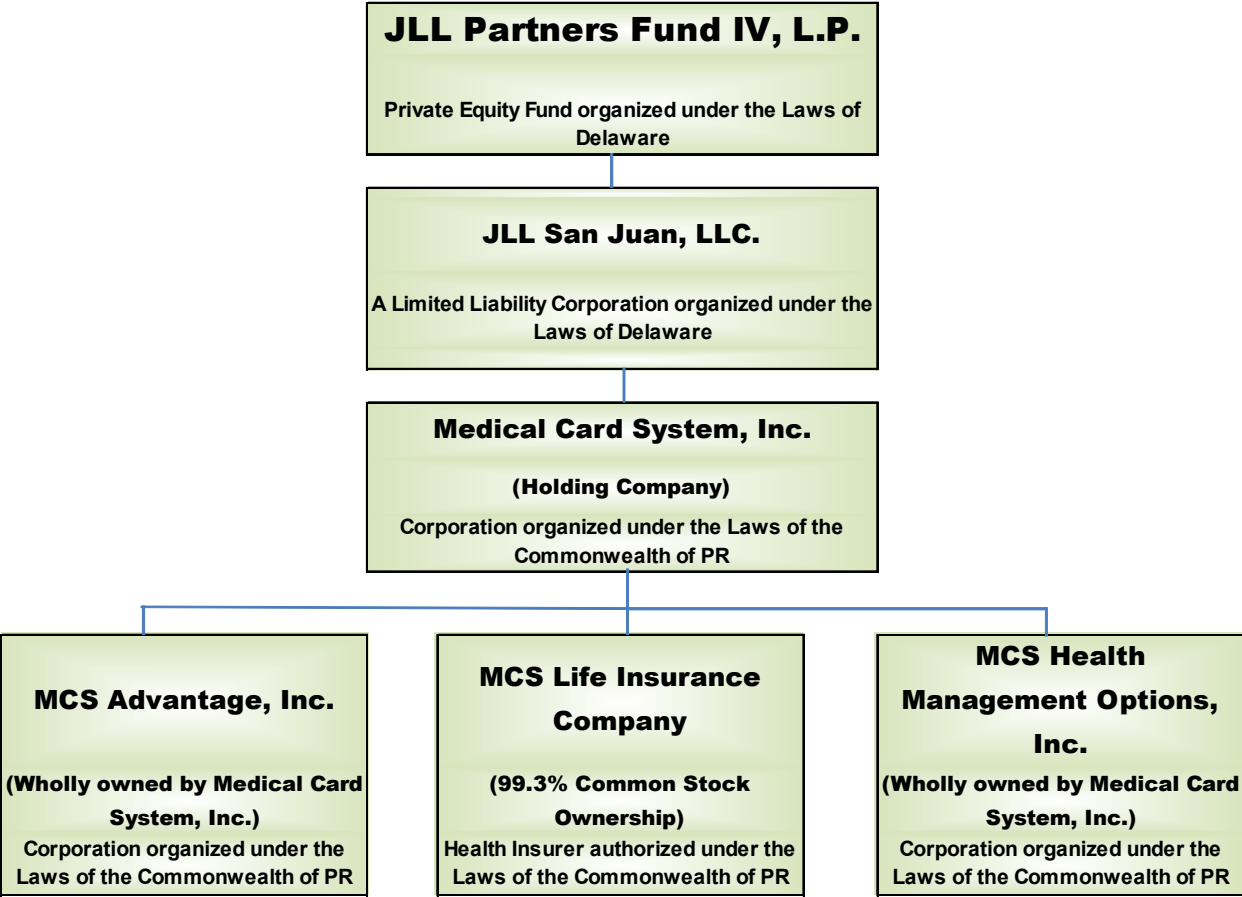
(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

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

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

Holding Company System's Organizational Chart



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

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|------------|--------------------------------|-------------------|--------------|--------------|-------|--|--|----------------------|----------------------------------|--|--|--|--|-------|
| Group Code | Group Name | NAIC Company Code | ID Number | FEDERAL RSSD | CIK | Name of Securities Exchange if Publicly Traded (U.S. or International) | Name of Parent, Subsidiaries or Affiliates | Domiciliary Location | Relationship to Reporting Entity | Directly Controlled by (Name of Entity / Person) | Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | If Control is Ownership Provide Percentage | Ultimate Controlling Entity(ies) / Person(s) | * |
| 0000 .. | Medical Card System, Inc. | 95779 | 66-0411947 . | ..... | ..... | ..... | MCS Health Management Options Inc | .. PR .. | .. UDP .. | Medical Card System | Ownership, Board of Directors | 100.0 | JLL Partners Fund IV, LLC .. | ..... |
| 1301 .. | Medical Card System | 13022 | 66-0642758 . | ..... | ..... | ..... | MCS ADVANTAGE INC | .. PR .. | .. IA .. | Medical Card System | Ownership, Board of Directors | 100.0 | JLL Partners Fund IV, LLC .. | ..... |
| 1301 .. | Medical Card System, Inc. | 60030 | 66-0520918 . | ..... | ..... | ..... | MCS LIFE INS CO | .. PR .. | .. IA .. | Medical Card System | Ownership, Board of Directors | 99.3 | JLL Partners Fund IV, LLC .. | ..... |

| | |
|----------|-------------|
| Asterisk | Explanation |
| 0000001 | ..... |

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

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

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES

Response

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

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

- APRIL FILING
- 5. Will Management's Discussion and Analysis be filed by April 1? Yes
 - 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? Yes
 - 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? Waived

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

- AUGUST FILING
- 10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? Yes

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

- MARCH FILING
- 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? No
 - 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? No
 - 13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? No
 - 14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? No
 - 15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? No
 - 16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? No
 - 17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? No
 - 18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? No
 - 19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? No
 - 20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? No

- APRIL FILING
- 21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? No
 - 22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? No
 - 23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? No
 - 24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? No
 - 25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1? No

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

Explanations:

Bar Codes:

Statement of Actuarial Opinion / Certification

95779201444000000 2014 Document Code: 440

Accident and Health Policy Experience Exhibit

95779201421000000 2014 Document Code: 210

Medicare Supplement Insurance Experience Exhibit

95779201436000000 2014 Document Code: 360

Health Life Supplement

95779201420500000 2014 Document Code: 205

Health Property / Casualty Supplement

95779201420700000 2014 Document Code: 207

Schedule SIS

95779201442000000 2014 Document Code: 420

Actuarial Opinion on Participating and Non-Participating Policies

95779201437100000 2014 Document Code: 371

Statement of Non-Guaranteed Elements for Exhibit 5

95779201437000000 2014 Document Code: 370

Medicare Part D Coverage Supplement

95779201436500000 2014 Document Code: 365

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

95779201422400000 2014 Document Code: 224

SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES (continued)

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



95779201422500000 2014 Document Code: 225

Approval for Relief related to Require. for Audit Committees



95779201422600000 2014 Document Code: 226

LTC Supplemental Interrogatorries



95779201430600000 2014 Document Code: 306

Health Life Supplement - LHA Guaranty Association Reconciliation



95779201421100000 2014 Document Code: 211

Health Property/Casualty Supplement - Insurance Expense Exhibit



95779201421300000 2014 Document Code: 213

Supplemental Health Care Exhibit



95779201421600000 2014 Document Code: 216

Supplemental Health Care Exhibit's Expense Allocation Report



95779201421700000 2014 Document Code: 217

Management's Report of Internal Control over Financial Reporting



95779201422300000 2014 Document Code: 223

OVERFLOW PAGE FOR WRITE-INS

SUMMARY INVESTMENT SCHEDULE

| | | Gross Investment Holdings | | Admitted Assets as Reported in the Annual Statement | | | |
|-----------------------|---|------------------------------|------------|--|--|---------------------------------|-------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| Investment Categories | | Amount | Percentage | Amount | Securities Lending Reinvested Collateral Amount | Total (Col. 3 + 4) Amount | Percentage |
| 1. | Bonds: | | | | | | |
| 1.1 | U.S. treasury securities | | | | | | |
| 1.2 | U.S. government agency obligations (excluding mortgage-backed securities): | | | | | | |
| 1.21 | Issued by U.S. government agencies | | | | | | |
| 1.22 | Issued by U.S. government sponsored agencies | | | | | | |
| 1.3 | Non-U.S. government (including Canada, excluding mortgage-backed securities) | | | | | | |
| 1.4 | Securities issued by states, territories, and possessions and political subdivisions in the U.S.: | | | | | | |
| 1.41 | States, territories and possessions general obligations | | | | | | |
| 1.42 | Political subdivisions of states, territories and possessions and political subdivisions general obligations | | | | | | |
| 1.43 | Revenue and assessment obligations | | | | | | |
| 1.44 | Industrial development and similar obligations | | | | | | |
| 1.5 | Mortgage-backed securities (includes residential and commercial MBS): | | | | | | |
| 1.51 | Pass-through securities: | | | | | | |
| 1.511 | Issued or Guaranteed by GNMA | 74,022 | 1.583 | 74,022 | | 74,022 | 1.583 |
| 1.512 | Issued or Guaranteed by FNMA and FHLMC | | | | | | |
| 1.513 | All other | | | | | | |
| 1.52 | CMOs and REMICs: | | | | | | |
| 1.521 | Issued or guaranteed by GNMA, FNMA, FHLMC or VA | | | | | | |
| 1.522 | Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | | | | | | |
| 1.523 | All other | | | | | | |
| 2. | Other debt and other fixed income securities (excluding short term): | | | | | | |
| 2.1 | Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) | | | | | | |
| 2.2 | Unaffiliated Non-U.S. securities (including Canada) | | | | | | |
| 2.3 | Affiliated securities | | | | | | |
| 3. | Equity interests: | | | | | | |
| 3.1 | Investments in mutual funds | 242,774 | 5.192 | 242,774 | | 242,774 | 5.192 |
| 3.2 | Preferred stocks: | | | | | | |
| 3.21 | Affiliated | | | | | | |
| 3.22 | Unaffiliated | | | | | | |
| 3.3 | Publicly traded equity securities (excluding preferred stocks): | | | | | | |
| 3.31 | Affiliated | | | | | | |
| 3.32 | Unaffiliated | | | | | | |
| 3.4 | Other equity securities: | | | | | | |
| 3.41 | Affiliated | | | | | | |
| 3.42 | Unaffiliated | | | | | | |
| 3.5 | Other equity interests including tangible personal property under lease: | | | | | | |
| 3.51 | Affiliated | | | | | | |
| 3.52 | Unaffiliated | | | | | | |
| 4. | Mortgage loans: | | | | | | |
| 4.1 | Construction and land development | | | | | | |
| 4.2 | Agricultural | | | | | | |
| 4.3 | Single family residential properties | | | | | | |
| 4.4 | Multifamily residential properties | | | | | | |
| 4.5 | Commercial loans | | | | | | |
| 4.6 | Mezzanine real estate loans | | | | | | |
| 5. | Real estate investments: | | | | | | |
| 5.1 | Property occupied by company | | | | | | |
| 5.2 | Property held for production of income (including \$.....0 of property acquired in satisfaction of debt) | | | | | | |
| 5.3 | Property held for sale (including \$.....0 property acquired in satisfaction of debt) | | | | | | |
| 6. | Contract loans | | | | | | |
| 7. | Derivatives | | | | | | |
| 8. | Receivables for securities | | | | | | |
| 9. | Securities Lending (Line 10, Asset Page reinvested collateral) | | | | X X X | X X X | X X X |
| 10. | Cash, cash equivalents and short-term investments | 4,358,765 | 93.224 | 4,358,765 | | 4,358,765 | 93.224 |
| 11. | Other invested assets | | | | | | |
| 12. | TOTAL Invested assets | 4,675,561 | 100.000 | 4,675,561 | | 4,675,561 | 100.000 |

SCHEDULE A - VERIFICATION BETWEEN YEARS
Real Estate

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

SCHEDULE B - VERIFICATION BETWEEN YEARS
Mortgage Loans

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

SCHEDULE BA - VERIFICATION BETWEEN YEARS
Other Long-Term Invested Assets

| | | | |
|------|--|--|--|
| 1. | Book/adjusted carrying value, December 31 of prior year | | |
| 2. | Cost of acquired: | | |
| 2.1 | Actual cost at time of acquisition (Part 2, Column 8) | | |
| 2.2 | Additional investment made after acquisition (Part 2, Column 9) | | |
| 3. | Capitalized deferred interest and other: | | |
| 3.1 | TOTALS, Part 1, Column 16 | | |
| 3.2 | TOTALS, Part 3, Column 12 | | |
| 4. | Accrual of discount | | |
| 5. | Unrealized valuation increase (decrease): | | |
| 5.1 | TOTALS, Part 1, Column 13 | | |
| 5.2 | TOTALS, Part 3, Column 9 | | |
| 6. | TOTAL gain (loss) on disposals, Part 3, Column 19 | | |
| 7. | Deduct amounts received on disposals, Part 3, Column 20 | | |
| 8. | Deduct amortization of premium and depreciation | | |
| 9. | TOTAL foreign exchange change in book/adjusted carrying value: | | |
| 9.1 | TOTALS, Part 1, Column 17 | | |
| 9.2 | TOTALS, Part 3, Column 14 | | |
| 10. | Deduct current year's other-than-temporary impairment recognized: | | |
| 10.1 | TOTALS, Part 1, Column 15 | | |
| 10.2 | TOTALS, Part 3, Column 11 | | |
| 11. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | | |
| 12. | Deduct total nonadmitted amounts | | |
| 13. | Statement value at end of current period (Line 11 minus Line 12) | | |

NONE

SCHEDULE D - VERIFICATION BETWEEN YEARS
Bonds and Stocks

| | | | |
|-----|---|----------|----------|
| 1. | Book/adjusted carrying value, December 31 of prior year | | 346,640 |
| 2. | Cost of bonds and stocks acquired, Part 3, Column 7 | | 1,825 |
| 3. | Accrual of Discount | | 2,138 |
| 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 | (10,679) | |
| 4.4 | Part 4, Column 11 | | (10,679) |
| 5. | TOTAL gain (loss) on disposals, Part 4, Column 19 | | |
| 6. | Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 | | 23,128 |
| 7. | Deduct amortization of premium | | |
| 8. | TOTAL foreign exchange change in book/adjusted carrying value: | | |
| 8.1 | Part 1, Column 15 | | |
| 8.2 | Part 2, Section 1, Column 19 | | |
| 8.3 | Part 2, Section 2, Column 16 | | |
| 8.4 | Part 4, Column 15 | | |
| 9. | Deduct current year's other-than-temporary impairment recognized: | | |
| 9.1 | Part 1, Column 14 | | |
| 9.2 | Part 2, Section 1, Column 17 | | |
| 9.3 | Part 2, Section 2, Column 14 | | |
| 9.4 | Part 4, Column 13 | | |
| 10. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | | 316,796 |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | | 316,796 |

SCHEDULE D - SUMMARY BY COUNTRY
Long-Term Bonds and Stocks OWNED December 31 of Current Year

| Description | | 1 Book/Adjusted Carrying Value | 2 Fair Value | 3 Actual Cost | 4 Par Value of Bonds |
|--|----------------------------------|--------------------------------------|-----------------|------------------|----------------------------|
| BONDS | 1. United States | 74,022 | 79,628 | 70,072 | 79,628 |
| Governments | 2. Canada | | | | |
| (Including all obligations guaranteed | 3. Other Countries | | | | |
| by governments) | 4. TOTALS | 74,022 | 79,628 | 70,072 | 79,628 |
| U.S. States, Territories and Possessions (Direct and | 5. TOTALS | | | | |
| guaranteed) | | | | | |
| U.S. Political Subdivisions of States, Territories and | 6. TOTALS | | | | |
| Possessions (Diresect and guaranteed) | | | | | |
| U.S. Special revenue and special assessment | | | | | |
| obligations and all non-guaranteed obligations of | 7. TOTALS | | | | |
| agencies and authorities of governments and their | | | | | |
| political subdivisions | | | | | |
| | 8. United States | | | | |
| Industrial and Miscellaneous and | 9. Canada | | | | |
| Hybrid Securities (unaffiliated) | 10. Other Countries | | | | |
| | 11. TOTALS | | | | |
| Parent, Subsidiaries and Affiliates | 12. TOTALS | | | | |
| | 13. TOTAL Bonds | 74,022 | 79,628 | 70,072 | 79,628 |
| PREFERRED STOCKS | 14. United States | | | | |
| Industrial and Miscellaneous (unaffiliated) | 15. Canada | | | | |
| | 16. Other Countries | | | | |
| | 17. TOTALS | | | | |
| Parent, Subsidiaries and Affiliates | 18. TOTALS | | | | |
| | 19. TOTAL Preferred Stocks | | | | |
| COMMON STOCKS | 20. United States | 242,774 | 242,774 | 193,053 | |
| Industrial and Miscellaneous (unaffiliated) | 21. Canada | | | | |
| | 22. Other Countries | | | | |
| | 23. TOTALS | 242,774 | 242,774 | 193,053 | |
| Parent, Subsidiaries and Affiliates | 24. TOTALS | | | | |
| | 25. TOTAL Common Stocks | 242,774 | 242,774 | 193,053 | |
| | 26. TOTAL Stocks | 242,774 | 242,774 | 193,053 | |
| | 27. TOTAL Bonds and Stocks | 316,796 | 322,402 | 263,125 | |

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

[illegible]

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

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

| | 1 1 Year or Less | 2 Over 1 Year Through 5 Years | 3 Over 5 Years Through 10 Years | 4 Over 10 Years Through 20 Years | 5 Over 20 Years | 6 Total Current Year | 7 Column 6 as a % of Line 9.7 | 8 Total From Column 6 Prior Year | 9 % From Column 7 Prior Year | 10 Total Publicly Traded | 11 Total Privately Placed (a) |
|--|---------------------------|--|--|---|-----------------------|----------------------------|--|---|---------------------------------------|-----------------------------------|--|
| 6. Industrial and Miscellaneous (unaffiliated) | | | | | | | | | | | |
| 6.1 NAIC 1 | | | | | | | | | | | |
| 6.2 NAIC 2 | | | | | | | | | | | |
| 6.3 NAIC 3 | | | | | | | | | | | |
| 6.4 NAIC 4 | | | | | | | | | | | |
| 6.5 NAIC 5 | | | | | | | | | | | |
| 6.6 NAIC 6 | | | | | | | | | | | |
| 6.7 TOTALS | | | | | | | | | | | |
| 7. Hybrid Securities | | | | | | | | | | | |
| 7.1 NAIC 1 | | | | | | | | | | | |
| 7.2 NAIC 2 | | | | | | | | | | | |
| 7.3 NAIC 3 | | | | | | | | | | | |
| 7.4 NAIC 4 | | | | | | | | | | | |
| 7.5 NAIC 5 | | | | | | | | | | | |
| 7.6 NAIC 6 | | | | | | | | | | | |
| 7.7 TOTALS | | | | | | | | | | | |
| 8. Parent, Subsidiaries and Affiliates | | | | | | | | | | | |
| 8.1 NAIC 1 | | | | | | | | | | | |
| 8.2 NAIC 2 | | | | | | | | | | | |
| 8.3 NAIC 3 | | | | | | | | | | | |
| 8.4 NAIC 4 | | | | | | | | | | | |
| 8.5 NAIC 5 | | | | | | | | | | | |
| 8.6 NAIC 6 | | | | | | | | | | | |
| 8.7 TOTALS | | | | | | | | | | | |

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

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

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|--|----------------------|-----------------------------------|-------------------------------------|--------------------------------------|------------------|-----------------------|-----------------------------------|--------------------------------------|----------------------------------|-----------------------------|----------------------------------|
| NAIC Designation | 1 Year or Less | Over 1 Year Through 5 Years | Over 5 Years Through 10 Years | Over 10 Years Through 20 Years | Over 20 Years | Total Current Year | Column 6 as a % of Line 9.7 | Total From Column 6 Prior Year | % From Column 7 Prior Year | Total Publicly Traded | Total Privately Placed (a) |
| 9. Total Bonds Current Year | | | | | | | | | | | |
| 9.1 NAIC 1 | (d) | | 74,022 | | | 74,022 | 100.00 | X X X | X X X | 74,022 | |
| 9.2 NAIC 2 | (d) | | | | | | | X X X | X X X | | |
| 9.3 NAIC 3 | (d) | | | | | | | X X X | X X X | | |
| 9.4 NAIC 4 | (d) | | | | | | | X X X | X X X | | |
| 9.5 NAIC 5 | (d) | | | | | (c) | | X X X | X X X | | |
| 9.6 NAIC 6 | (d) | | | | | (c) | | X X X | X X X | | |
| 9.7 TOTALS | | | 74,022 | | | (b) 74,022 | 100.00 | X X X | X X X | 74,022 | |
| 9.8 Line 9.7 as a % of Column 6 | | | 100.00 | | | 100.00 | X X X | X X X | X X X | 100.00 | |
| 10. Total Bonds Prior Year | | | | | | | | | | | |
| 10.1 NAIC 1 | | | | 95,012 | | X X X | X X X | 95,012 | 100.00 | 95,012 | |
| 10.2 NAIC 2 | | | | | | X X X | X X X | | | | |
| 10.3 NAIC 3 | | | | | | X X X | X X X | | | | |
| 10.4 NAIC 4 | | | | | | X X X | X X X | | | | |
| 10.5 NAIC 5 | | | | | | X X X | X X X | (c) | | | |
| 10.6 NAIC 6 | | | | | | X X X | X X X | (c) | | | |
| 10.7 TOTALS | | | | 95,012 | | X X X | X X X | (b) 95,012 | 100.00 | 95,012 | |
| 10.8 Line 10.7 as a % of Col. 8 | | | | 100.00 | | X X X | X X X | 100.00 | X X X | 100.00 | |
| 11. Total Publicly Traded Bonds | | | | | | | | | | | |
| 11.1 NAIC 1 | | | 74,022 | | | 74,022 | 100.00 | 95,012 | 100.00 | 74,022 | X X X |
| 11.2 NAIC 2 | | | | | | | | | | | X X X |
| 11.3 NAIC 3 | | | | | | | | | | | X X X |
| 11.4 NAIC 4 | | | | | | | | | | | X X X |
| 11.5 NAIC 5 | | | | | | | | | | | X X X |
| 11.6 NAIC 6 | | | | | | | | | | | X X X |
| 11.7 TOTALS | | | 74,022 | | | 74,022 | 100.00 | 95,012 | 100.00 | 74,022 | X X X |
| 11.8 Line 11.7 as a % of Col. 6 | | | 100.00 | | | 100.00 | X X X | X X X | X X X | 100.00 | X X X |
| 11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9 | | | 100.00 | | | 100.00 | X X X | X X X | X X X | 100.00 | X X X |
| 12. Total Privately Placed Bonds | | | | | | | | | | | |
| 12.1 NAIC 1 | | | | | | | | | | X X X | |
| 12.2 NAIC 2 | | | | | | | | | | X X X | |
| 12.3 NAIC 3 | | | | | | | | | | X X X | |
| 12.4 NAIC 4 | | | | | | | | | | X X X | |
| 12.5 NAIC 5 | | | | | | | | | | X X X | |
| 12.6 NAIC 6 | | | | | | | | | | X X X | |
| 12.7 TOTALS | | | | | | | | | | X X X | |
| 12.8 Line 12.7 as a % of Col. 6 | | | | | | | X X X | X X X | X X X | X X X | |
| 12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9 | | | | | | | X X X | X X X | X X X | X X X | |

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

SCHEDULE D - PART 1A - SECTION 2

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

| Distribution by Type | | 1 1 Year or Less | 2 Over 1 Year Through 5 Years | 3 Over 5 Years Through 10 Years | 4 Over 10 Years Through 20 Years | 5 Over 20 Years | 6 Total Current Year | 7 Column 6 as a % of Line 9.5 | 8 Total From Column 6 Prior Year | 9 % From Column 7 Prior Year | 10 Total Publicly Traded | 11 Total Privately Placed |
|----------------------|--|---------------------------|--|--|---|-----------------------|----------------------------|--|---|---------------------------------------|-----------------------------------|------------------------------------|
| 1. | U.S. Governments | | | | | | | | | | | |
| 1.1 | Issuer Obligations | | | | | | | | | | | |
| 1.2 | Residential Mortgage-Backed Securities | | | 74,022 | | | 74,022 | 100.00 | 95,012 | 100.00 | 74,022 | |
| 1.3 | Commercial Mortgage-Backed Securities | | | | | | | | | | | |
| 1.4 | Other Loan-Backed and Structured Securities | | | | | | | | | | | |
| 1.5 | TOTALS | | | 74,022 | | | 74,022 | 100.00 | 95,012 | 100.00 | 74,022 | |
| 2. | All Other Governments | | | | | | | | | | | |
| 2.1 | Issuer Obligations | | | | | | | | | | | |
| 2.2 | Residential Mortgage-Backed Securities | | | | | | | | | | | |
| 2.3 | Commercial Mortgage-Backed Securities | | | | | | | | | | | |
| 2.4 | Other Loan-Backed and Structured Securities | | | | | | | | | | | |
| 2.5 | TOTALS | | | | | | | | | | | |
| 3. | U.S. States, Territories and Possessions, Guaranteed | | | | | | | | | | | |
| 3.1 | Issuer Obligations | | | | | | | | | | | |
| 3.2 | Residential Mortgage-Backed Securities | | | | | | | | | | | |
| 3.3 | Commercial Mortgage-Backed Securities | | | | | | | | | | | |
| 3.4 | Other Loan-Backed and Structured Securities | | | | | | | | | | | |
| 3.5 | TOTALS | | | | | | | | | | | |
| 4. | U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed | | | | | | | | | | | |
| 4.1 | Issuer Obligations | | | | | | | | | | | |
| 4.2 | Residential Mortgage-Backed Securities | | | | | | | | | | | |
| 4.3 | Commercial Mortgage-Backed Securities | | | | | | | | | | | |
| 4.4 | Other Loan-Backed and Structured Securities | | | | | | | | | | | |
| 4.5 | TOTALS | | | | | | | | | | | |
| 5. | U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed | | | | | | | | | | | |
| 5.1 | Issuer Obligations | | | | | | | | | | | |
| 5.2 | Residential Mortgage-Backed Securities | | | | | | | | | | | |
| 5.3 | Commercial Mortgage-Backed Securities | | | | | | | | | | | |
| 5.4 | Other Loan-Backed and Structured Securities | | | | | | | | | | | |
| 5.5 | TOTALS | | | | | | | | | | | |
| 6. | Industrial and Miscellaneous | | | | | | | | | | | |
| 6.1 | Issuer Obligations | | | | | | | | | | | |
| 6.2 | Residential Mortgage-Backed Securities | | | | | | | | | | | |
| 6.3 | Commercial Mortgage-Backed Securities | | | | | | | | | | | |
| 6.4 | Other Loan-Backed and Structured Securities | | | | | | | | | | | |
| 6.5 | TOTALS | | | | | | | | | | | |
| 7. | Hybrid Securities | | | | | | | | | | | |
| 7.1 | Issuer Obligations | | | | | | | | | | | |
| 7.2 | Residential Mortgage-Backed Securities | | | | | | | | | | | |
| 7.3 | Commercial Mortgage-Backed Securities | | | | | | | | | | | |
| 7.4 | Other Loan-Backed and Structured Securities | | | | | | | | | | | |
| 7.5 | TOTALS | | | | | | | | | | | |
| 8. | Parent, Subsidiaries and Affiliates | | | | | | | | | | | |
| 8.1 | Issuer Obligations | | | | | | | | | | | |
| 8.2 | Residential Mortgage-Backed Securities | | | | | | | | | | | |
| 8.3 | Commercial Mortgage-Backed Securities | | | | | | | | | | | |
| 8.4 | Other Loan-Backed and Structured Securities | | | | | | | | | | | |
| 8.5 | TOTALS | | | | | | | | | | | |

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

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

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|--|----------------------|-----------------------------------|-------------------------------------|--------------------------------------|------------------|-----------------------|-----------------------------------|--------------------------------------|----------------------------------|-----------------------------|------------------------------|
| Distribution by Type | 1 Year or Less | Over 1 Year Through 5 Years | Over 5 Years Through 10 Years | Over 10 Years Through 20 Years | Over 20 Years | Total Current Year | Column 6 as a % of Line 9.5 | Total From Column 6 Prior Year | % From Column 7 Prior Year | Total Publicly Traded | Total Privately Placed |
| 9. Total Bonds Current Year | | | | | | | | | | | |
| 9.1 Issuer Obligations | | | | | | | | X X X | X X X | | |
| 9.2 Residential Mortgage-Backed Securities | | | 74,022 | | | 74,022 | 100.00 | X X X | X X X | 74,022 | |
| 9.3 Commercial Mortgage-Backed Securities | | | | | | | | X X X | X X X | | |
| 9.4 Other Loan-Backed and Structured Securities | | | | | | | | X X X | X X X | | |
| 9.5 TOTALS | | | 74,022 | | | 74,022 | 100.00 | X X X | X X X | 74,022 | |
| 9.6 Line 9.5 as a % of Col. 6 | | | 100.00 | | | 100.00 | X X X | X X X | X X X | 100.00 | |
| 10. Total Bonds Prior Year | | | | | | | | | | | |
| 10.1 Issuer Obligations | | | | | | X X X | X X X | | | | |
| 10.2 Residential Mortgage-Backed Securities | | | | 95,012 | | X X X | X X X | 95,012 | 100.00 | 95,012 | |
| 10.3 Commercial Mortgage-Backed Securities | | | | | | X X X | X X X | | | | |
| 10.4 Other Loan-Backed and Structured Securities | | | | | | X X X | X X X | | | | |
| 10.5 TOTALS | | | | 95,012 | | X X X | X X X | 95,012 | 100.00 | 95,012 | |
| 10.6 Line 10.5 as a % of Col. 8 | | | | 100.00 | | X X X | X X X | 100.00 | X X X | 100.00 | |
| 11. Total Publicly Traded Bonds | | | | | | | | | | | |
| 11.1 Issuer Obligations | | | | | | | | | | | X X X |
| 11.2 Residential Mortgage-Backed Securities | | | 74,022 | | | 74,022 | 100.00 | 95,012 | 100.00 | 74,022 | X X X |
| 11.3 Commercial Mortgage-Backed Securities | | | | | | | | | | | X X X |
| 11.4 Other Loan-Backed and Structured Securities | | | | | | | | | | | X X X |
| 11.5 TOTALS | | | 74,022 | | | 74,022 | 100.00 | 95,012 | 100.00 | 74,022 | X X X |
| 11.6 Line 11.5 as a % of Col. 6 | | | 100.00 | | | 100.00 | X X X | X X X | X X X | 100.00 | X X X |
| 11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9 | | | 100.00 | | | 100.00 | X X X | X X X | X X X | 100.00 | X X X |
| 12. Total Privately Placed Bonds | | | | | | | | | | | |
| 12.1 Issuer Obligations | | | | | | | | | | X X X | |
| 12.2 Residential Mortgage-Backed Securities | | | | | | | | | | X X X | |
| 12.3 Commercial Mortgage-Backed Securities | | | | | | | | | | X X X | |
| 12.4 Other Loan-Backed and Structured Securities | | | | | | | | | | X X X | |
| 12.5 TOTALS | | | | | | | | | | X X X | |
| 12.6 Line 12.5 as a % of Col. 6 | | | | | | | X X X | X X X | X X X | X X X | |
| 12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9 | | | | | | | X X X | X X X | X X X | X X X | |

SI10 Schedule DA - Verification NONE

SI11 Schedule DB Part A Verification NONE

SI11 Schedule DB Part B Verification NONE

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

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

SI14 Schedule DB Verification NONE

SI15 Schedule E - Verification NONE

E01 Schedule A - Part 1 Real Estate Owned NONE

E02 Schedule A - Part 2 Real Estate Acquired NONE

E03 Schedule A - Part 3 Real Estate Disposed NONE

E04 Schedule B Part 1 - Mortgage Loans Owned NONE

E05 Schedule B Part 2 - Mortgage Loans Acquired NONE

E06 Schedule B Part 3 - Mortgage Loans Disposed NONE

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

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

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

SCHEDULE D - PART 1

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

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book Adjusted Carrying Value | | | | Interest | | | | | Dates | |
|--|-------------|-------|---------------------------------|--------------|--------------------------|----------------|--|---------------|--------------|--|--|---|---|--|------------|----------------------------------|--------------|--|--------------------------------------|------------|---|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identification | Description | Code | F O R E I G N | Bond CHAR | NAIC Desig- nation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other- Than- Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of Interest | When Paid | Admitted Amount Due and Accrued | Amount Received During Year | Acquired | Stated Contractual Maturity Date |
| U.S. Governments - Residential Mortgage-Backed Securities | | | | | | | | | | | | | | | | | | | | | |
| 86357RAB4 | SMPGT 94-1H | | | | 1 | 70,072 | 100.0000 | 79,628 | 79,628 | 74,022 | | 395 | | | 5.625 | 7.633 | MON | 373 | 4,495 | 12/26/2000 | 02/24/2024 |
| 0299999 Subtotal - U.S. Governments - Residential Mortgage-Backed Securities | | | | | | 70,072 | X X X | 79,628 | 79,628 | 74,022 | | 395 | | | X X X | X X X | X X X | 373 | 4,495 | X X X | X X X |
| 0599999 Subtotal - U.S. Governments | | | | | | 70,072 | X X X | 79,628 | 79,628 | 74,022 | | 395 | | | X X X | X X X | X X X | 373 | 4,495 | X X X | X X X |
| 7899999 Subtotals - Residential Mortgage-Backed Securities | | | | | | 70,072 | X X X | 79,628 | 79,628 | 74,022 | | 395 | | | X X X | X X X | X X X | 373 | 4,495 | X X X | X X X |
| 8399999 Grand Total - Bonds | | | | | | 70,072 | X X X | 79,628 | 79,628 | 74,022 | | 395 | | | X X X | X X X | X X X | 373 | 4,495 | X X X | X X X |

SCHEDULE D - PART 2 - SECTION 1
Showing all PREFERRED STOCKS Owned December 31 of Current Year

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

SCHEDULE D - PART 2 - SECTION 2
Showing All COMMON STOCKS Owned December 31 of Current Year

| 1 | 2 | Codes | | 5 | 6 | Fair Value | | 9 | Dividends | | | Change in Book/Adjusted Carrying Value | | | | 17 | 18 |
|---|-----------------------------------|-------|--------------|---------------------|---------------------------------|---|---------------|----------------|------------------------|-----------------------------------|---------------------------------------|--|--|---|--|------------------------------------|------------------|
| | | 3 | 4 | | | 7 | 8 | | 10 | 11 | 12 | 13 | 14 | 15 | 16 | | |
| CUSIP Identification | Description | Code | For- eign | Number of Shares | Book/Adjusted Carrying Value | Rate per Share Used to Obtain Fair Value | Fair Value | Actual Cost | Declared but Unpaid | Amount Received During Year | Nonadmitted Declared But Unpaid | Unrealized Valuation Increase/ (Decrease) | Current Year's Other-Than- Temporary Impairment Recognized | Total Change in B./A.C.V. (Col. 13-14) | Total Foreign Exchange Change in B./A.C.V. | NAIC Market Indicator (a) | Date Acquired |
| Mutual Funds | | | | | | | | | | | | | | | | | |
| 000000000 | GLOBAL OPORTUNITIES CAPITAL ..... | ..... | ..... | ..... 24,028.120 | 242,774 | 10.104 | 242,774 | 193,053 | ..... | ..... | ..... | ..... (10,679) | ..... | ..... (10,679) | ..... | L | 06/02/2014 |
| 9299999 Subtotal - Mutual Funds ..... | ..... | ..... | ..... | ..... | ..... 242,774 | ... X X X .. | 242,774 | 193,053 | ..... | ..... | ..... | ..... (10,679) | ..... | ..... (10,679) | ..... | . X X X . | .. X X X .. |
| 9799999 Total Common Stocks ..... | ..... | ..... | ..... | ..... | ..... 242,774 | ... X X X .. | 242,774 | 193,053 | ..... | ..... | ..... | ..... (10,679) | ..... | ..... (10,679) | ..... | . X X X . | .. X X X .. |
| 9899999 Total Preferred and Common Stocks ..... | ..... | ..... | ..... | ..... | ..... 242,774 | ... X X X .. | 242,774 | 193,053 | ..... | ..... | ..... | ..... (10,679) | ..... | ..... (10,679) | ..... | . X X X . | .. X X X .. |

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

SCHEDULE D - PART 3
Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|------------------------------|---|---------|------------------|-----------------|---------------------------------|-------------|-----------|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| 8399998 | Summary item from Part 5 for Bonds | | | | | | | |
| 8999998 | Summary Item from Part 5 for Preferred Stocks | | | | | | X X X | |
| Common Stocks - Mutual Funds | | | | | | | | |
| 000000000 | GLOBAL OPORTUNITIES CAPITAL | | 06/02/2014 | Undefined | 177.120 | 1,825 | X X X | |
| 9299999 | Subtotal - Common Stocks - Mutual Funds | | | | | 1,825 | X X X | |
| 9799997 | Subtotal - Common Stocks - Part 3 | | | | | 1,825 | X X X | |
| 9799998 | Summary Item from Part 5 for Common Stocks | | | | | | X X X | |
| 9799999 | Subtotal - Common Stocks | | | | | 1,825 | X X X | |
| 9899999 | Subtotal - Preferred and Common Stocks | | | | | 1,825 | X X X | |
| 9999999 | Totals | | | | | 1,825 | X X X | |

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 | F o r e i g n | 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 (Amortization)/ Accretion | Current Year's Other-Than- Temporary Impairment Recognized | Total Change in B./A.C.V. (Cols. 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. Governments | | | | | | | | | | | | | | | | | | | | |
| 86357RAB4 | SMPGT 94-1H | ... | 12/15/2014 | PRINCIPAL RECEIPT | X X X ... | 23,128 | 23,128 | 20,353 | 21,385 | | 1,743 | | 1,743 | | 23,128 | | | | 661 | 02/24/2024 |
| 0599999 | Subtotal - Bonds - U.S. Governments | | | | | 23,128 | 23,128 | 20,353 | 21,385 | | 1,743 | | 1,743 | | 23,128 | | | | 661 | X X X . |
| 8399997 | Subtotal - Bonds - Part 4 | | | | | 23,128 | 23,128 | 20,353 | 21,385 | | 1,743 | | 1,743 | | 23,128 | | | | 661 | X X X . |
| 8399998 | Summary Item from Part 5 for Bonds | | | | | | | | | | | | | | | | | | | X X X . |
| 8399999 | Subtotal - Bonds | | | | | 23,128 | 23,128 | 20,353 | 21,385 | | 1,743 | | 1,743 | | 23,128 | | | | 661 | X X X . |
| 8999998 | Summary Item from Part 5 for Preferred Stocks | | | | | | X X X ... | | | | | | | | | | | | | X X X . |
| 9799998 | Summary Item from Part 5 for Common Stocks | | | | | | X X X ... | | | | | | | | | | | | | X X X . |
| 9899999 | Subtotal - Preferred and Common Stocks | | | | | | X X X ... | | | | | | | | | | | | | X X X . |
| 9999999 | Totals | | | | | 23,128 | X X X ... | 20,353 | 21,385 | | 1,743 | | 1,743 | | 23,128 | | | | 661 | X X X . |

SCHEDULE D - PART 5

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Change in Book/Adjusted Carrying Value | | | | | 17 | 18 | 19 | 20 | 21 |
|------------------------------|-------------|---------------------------------|------------------|----------------|------------------|-------------------|---|----------------|--------------------|---|--|--|---|--|--|---|--|-------------------------------------|--|---|
| | | | | | | | | | | | 12 | 13 | 14 | 15 | 16 | | | | | |
| CUSIP Identifi- cation | Description | F O R E I G N | Date Acquired | Name of Vendor | Disposal Date | Name of Purchaser | Par Value (Bonds) or Number of Shares (Stock) | Actual Cost | Consider- ation | Book/ Adjusted Carrying Value at Disposal | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other-Than- Temporary Impairment Recognized | Total Change in B./A.C.V. (Col. 12+ 13-14) | Total Foreign Exchange Change in B./A.C.V. | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Interest and Dividends Received During Year | Paid for Accrued Interest and Dividends |
| | | | | | | | | | NONE | | | | | | | | | | | |
| 9999999 Totals | | | | | | | | | | | | | | | | | | | | |

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

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

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

SCHEDULE D - PART 6 - SECTION 2

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

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

SCHEDULE E - PART 1 - CASH

| 1 | | | 2 | 3 | 4 | 5 | 6 | 7 |
|--|--|------------|------|------------------|---|--|-----------|-------|
| Depository | | | Code | Rate of Interest | Amount of Interest Received During Year | Amount of Interest Accrued December 31 of Current Year | Balance | * |
| open depositories | | | | | | | | |
| Banco Popular de Puerto Rico | Ave. Ponce de Leon, Hato Rey, PR | | | | | | 3,735,236 | X X X |
| Governmental Development Bank | PO Box 42001 San Juan, PR 00940-2001 | | | | | | 600,667 | X X X |
| Samuel A. Ramirez | MCS Plaza 255 Ave.Ponce de Leon Ste 106 San Juan | 11/10/2015 | | | 815 | 138 | 22,863 | X X X |
| | | | | | | | | X X X |
| 0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories | | | | X X X .. | | | | X X X |
| 0199999 Totals - Open Depositories | | | | X X X .. | 815 | 138 | 4,358,765 | X X X |
| 0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories | | | | X X X .. | | | | X X X |
| 0299999 Totals - Suspended Depositories | | | | X X X .. | | | | X X X |
| 0399999 Total Cash On Deposit | | | | X X X .. | 815 | 138 | 4,358,765 | X X X |
| 0499999 Cash in Company's Office | | | | X X X .. | X X X ... | X X X ... | | X X X |
| 0599999 Total Cash | | | | X X X .. | 815 | 138 | 4,358,765 | X X X |

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

| | | | | | | | |
|-------------------|-----------|----------------|-----------|--------------------|-----------|--------------------|-----------|
| 1. January | 5,683,781 | 4. April | 5,633,844 | 7. July | 5,039,751 | 10. October | 4,477,120 |
| 2. February | 5,685,451 | 5. May | 5,538,830 | 8. August | 5,028,558 | 11. November | 4,477,820 |
| 3. March | 5,638,504 | 6. June | 5,289,102 | 9. September | 4,963,397 | 12. December | 4,358,765 |

SCHEDULE E - PART 2 - CASH EQUIVALENTS
Show Investments Owned December 31 of Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------------------------------|------|------------------|---------------------|------------------|---------------------------------|--|-----------------------------------|
| Description | Code | Date Acquired | Rate of Interest | Maturity Date | Book/Adjusted Carrying Value | Amount of Interest Due & Accrued | Amount Received During Year |
| NONE | | | | | | | |
| 8699999 Total Cash Equivalents | | | | | | | |

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

| | | 1 | 2 | Deposits For the Benefit of All Policyholders | | All Other Special Deposits | |
|----------------------|--|--------------------|-------------------------------|--|--------------------|--------------------------------------|--------------------|
| | | Type of Deposit | Purpose of Deposit | 3 Book/Adjusted Carrying Value | 4 Fair Value | 5 Book/Adjusted Carrying Value | 6 Fair Value |
| States. Etc. | | | | | | | |
| 1. | Alabama (AL) | | | | | | |
| 2. | Alaska (AK) | | | | | | |
| 3. | Arizona (AZ) | | | | | | |
| 4. | Arkansas (AR) | | | | | | |
| 5. | California (CA) | | | | | | |
| 6. | Colorado (CO) | | | | | | |
| 7. | Connecticut (CT) | | | | | | |
| 8. | Delaware (DE) | | | | | | |
| 9. | District of Columbia (DC) | | | | | | |
| 10. | Florida (FL) | | | | | | |
| 11. | Georgia (GA) | | | | | | |
| 12. | Hawaii (HI) | | | | | | |
| 13. | Idaho (ID) | | | | | | |
| 14. | Illinois (IL) | | | | | | |
| 15. | Indiana (IN) | | | | | | |
| 16. | Iowa (IA) | | | | | | |
| 17. | Kansas (KS) | | | | | | |
| 18. | Kentucky (KY) | | | | | | |
| 19. | Louisiana (LA) | | | | | | |
| 20. | Maine (ME) | | | | | | |
| 21. | Maryland (MD) | | | | | | |
| 22. | Massachusetts (MA) | | | | | | |
| 23. | Michigan (MI) | | | | | | |
| 24. | Minnesota (MN) | | | | | | |
| 25. | Mississippi (MS) | | | | | | |
| 26. | Missouri (MO) | | | | | | |
| 27. | Montana (MT) | | | | | | |
| 28. | Nebraska (NE) | | | | | | |
| 29. | Nevada (NV) | | | | | | |
| 30. | New Hampshire (NH) | | | | | | |
| 31. | New Jersey (NJ) | | | | | | |
| 32. | New Mexico (NM) | | | | | | |
| 33. | New York (NY) | | | | | | |
| 34. | North Carolina (NC) | | | | | | |
| 35. | North Dakota (ND) | | | | | | |
| 36. | Ohio (OH) | | | | | | |
| 37. | Oklahoma (OK) | | | | | | |
| 38. | Oregon (OR) | | | | | | |
| 39. | Pennsylvania (PA) | | | | | | |
| 40. | Rhode Island (RI) | | | | | | |
| 41. | South Carolina (SC) | | | | | | |
| 42. | South Dakota (SD) | | | | | | |
| 43. | Tennessee (TN) | | | | | | |
| 44. | Texas (TX) | | | | | | |
| 45. | Utah (UT) | | | | | | |
| 46. | Vermont (VT) | | | | | | |
| 47. | Virginia (VA) | | | | | | |
| 48. | Washington (WA) | | | | | | |
| 49. | West Virginia (WV) | | | | | | |
| 50. | Wisconsin (WI) | | | | | | |
| 51. | Wyoming (WY) | | | | | | |
| 52. | American Samoa (AS) | | | | | | |
| 53. | Guam (GU) | | | | | | |
| 54. | Puerto Rico (PR) | O | Statutory Deposit Requirement | 600,667 | 600,627 | | |
| 55. | U.S. Virgin Islands (VI) | | | | | | |
| 56. | Northern Mariana Islands (MP) | | | | | | |
| 57. | Canada (CAN) | | | | | | |
| 58. | Aggregate Alien and Other (OT) | X X X | X X X | | | | |
| 59. | TOTAL | X X X | X X X | 600,667 | 600,627 | | |
| DETAILS OF WRITE-INS | | | | | | | |
| 5801. | | | | | | | |
| 5802. | | | | | | | |
| 5803. | | | | | | | |
| 5898. | Summary of remaining write-ins for Line 58 from overflow page | X X X | X X X | | | | |
| 5899. | TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) | X X X | X X X | | | | |



SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended DECEMBER 31, 2014
(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system:
If yes, do the below amounts represent 1) total gross compensation paid to each individual by or on behalf of all companies that are part of the group:
or 2) allocation to each insurer:

Yes[] No[X]
2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity?

Yes[] No[X]
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement?

Yes[] No[X]

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

| 1 Name and Principal Position | 2 Year | 3 Salary | 4 Bonus | 5 Stock Awards | 6 Option Awards | 7 Sign-on Payments | 8 Severance Payments | 9 All Other Compensation | 10 Totals |
|--|------------|-------------|------------|----------------------|-----------------------|--------------------------|----------------------------|--------------------------------|--------------|
| 1. Current Principal Executive Officer | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 2. Current Principal Financial Officer | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 4. | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 5. | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 6. | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 7. | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 8. | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 9. | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 10. | 2014 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2013 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| ..... | 2012 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |

PART 3 - DIRECTOR COMPENSATION

| 1 Name and Principal Position or Occupation and Company (if Outside Director) | Paid or Deferred for Services as Director | | | | 6 All Other Compensation Paid or Deferred | 7 Totals |
|--|---|-----------------|------------------|-------|---|-----------------|
| | 2 | 3 | 4 | 5 | | |
| | Direct Compensation | Stock Awards | Option Awards | Other | | |
| 9999999 | | | | | | |

PART 4 – NARRATIVE DESCRIPTION OF MATERIAL FACTORS

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



SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended DECEMBER 31, 2014
(To Be Filed by April 1)

Of TheMCS Health Management Options, Inc.

Address (City, State, ZipCode)San Juan, PR, 00917

NAIC Group Code1301NAIC Company Code95779Employer's ID Number66-0411947

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

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$ 6,744,614

| 1 | 2 | 3 | 4 |
|--|-------------------------|-----------|-------------------------------------|
| Issuer | Description of Exposure | Amount | Percentage of Total Admitted Assets |
| 2. Ten largest exposures to a single issuer/borrower/investment. | | | |
| 2.01 Banco Popular de Puerto Rico | Cash | 3,735,236 | 55.381 |
| 2.02 Ramirez A. Ramirez & Co. | Cash | 22,863 | 0.339 |
| 2.03 | | | |
| 2.04 | | | |
| 2.05 | | | |
| 2.06 | | | |
| 2.07 | | | |
| 2.08 | | | |
| 2.09 | | | |
| 2.10 | | | |

| NAIC Designation | 1 Amount | 2 Percent |
|--|-------------|--------------|
| 3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation. | | |
| Bonds | | |
| 3.01 NAIC 1 | 74,022 | 1.097 |
| 3.02 NAIC 2 | | |
| 3.03 NAIC 3 | | |
| 3.04 NAIC 4 | | |
| 3.05 NAIC 5 | | |
| 3.06 NAIC 6 | | |
| Preferred Stocks | | |
| 3.07 P/RP-1 | | |
| 3.08 P/RP-2 | | |
| 3.09 P/RP-3 | | |
| 3.10 P/RP-4 | | |
| 3.11 P/RP-5 | | |
| 3.12 P/RP-6 | | |

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

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

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

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

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

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

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:
11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?
If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.
- Yes[X] No[]

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

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.
12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?
If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.
- Yes[X] No[]

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

13. Amounts and percentages of admitted assets held in the ten largest equity interests:
13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets?
If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.
- Yes[X] No[]

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

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

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

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

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

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

| 1 Description | 2 Amount | 3 Percent |
|--|-------------|--------------|
| Largest 5 investments in any one parcel or group of contiguous parcels of real estate: | | |
| 18.02 | | |
| 18.03 | | |
| 18.04 | | |
| 18.05 | | |
| 18.06 | | |

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

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

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

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

Supp8 A H Policy Experience Exhibit (Individual 1-8) NONE

Supp9 A H Policy Experience Exhibit (Individual 9-19) NONE

Supp10 A H Policy Experience Exhibit (Group) NONE

Supp11 A H Policy Experience Exhibit - Part 1 Summary NONE

Supp11 A H Policy Experience Exhibit - Part 2 Summary NONE

Supp11 A H Policy Experience Exhibit - Part 3 Summary NONE

Supp11 A H Policy Experience Exhibit - Part 4 Summary NONE



NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
SCHEDULE SIS

STOCKHOLDER INFORMATION SUPPLEMENT

FOR THE YEAR ENDED
DECEMBER 31, 2014

(To Be Filed by March 1)

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

TO ANNUAL STATEMENT OF THE

MCS Health Management Options, Inc.
COMPANY

FINANCIAL REPORTING TO STOCKHOLDERS

1. Did the company distribute to its stockholders prior to the Annual Meeting during the year an Annual Report for the previous year? Yes[] No[X]
If answer is "Yes" attach copy. If answer is "No" explain in detail below. Attach separate sheet if necessary.:
2. Will the company distribute to its stockholders prior to the Annual Meeting during the following year an Annual Report for the current year? Yes[] No[X]
If answer is "Yes" a copy of the report shall be forwarded to the Insurance Commissioner of the company's domiciliary state at the same time as it is distributed to stockholders. If answer is "No" explain in detail below. Attach separate sheet if necessary.:
3. If an Annual Report to stockholders was distributed for the previous year; (1) was such distribution prior to or contemporaneous with the solicitation of proxies in respect to the Annual Meeting? Yes[] No[X]
If answer is "No" explain in detail below. Attach separate sheet if necessary.:
(2) Did it contain the following financial statements (indicate answer in Column A) and were such financial statements prepared substantially on the basis (individual or consolidated) as required to be present in the Company's Annual Statement (indicate answer in Column B)?

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

INFORMATION REGARDING MANAGEMENT AND DIRECTORS

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

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

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

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

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

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

No No No No No No No No

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

XX No No No No No

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

5. Will the Company solicit proxies from its stockholders during the following year and will such solicitation(s) precede any shareholders' meeting or meetings by at least 10 days?
Answer No If answer is "yes" and proxies are to be solicited, copies of the proxy statement and form of proxy and other soliciting material to be furnished stockholders shall be submitted to the Insurance Commissioner of the Company's domiciliary state at least 10 days prior to the date such material is first sent or given to stockholders.

If answer is "no" and proxies are not to be solicited from stockholders, explain in detail below. Attach separate sheet if necessary.

STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

(See Instructions Below)

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

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

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

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

If answer is "yes" explain:



Medicare Part D Coverage Supplement
(Net of Reinsurance)

NAIC Group Code: 1301

(To be Filed By March 1)

NAIC Company Code: 95779

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



LONG-TERM CARE EXPERIENCE REPORTING FORM 1
ACTUAL VS. EXPECTED CLAIMS AND PERSISTENCY
REPORTING YEAR 2014
(To Be Filed By April 1)

NAIC Group Code: 1301

NAIC Company Code: 95779

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



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

REPORTING YEAR 2014
(To Be Filed By April 1)

NAIC Group Code 1301

NAIC Company Code 95779

| Reporting Year | 1 Policy Form | 2 First Year Issue | 3 Last Year Issue | 4 Earned Premiums | 5 Incurred Claims | 6 Loss Ratio | 7 Annual Net/ Annual Gross Premiums | 8 Current Year Net Premiums | 9 Inforce Count Beginning of Year | 10 New Issues Current Year | 11 Inforce Count End of Year | 12 Persistency Rate | 13 Experience Policy Reserves | 14 Reported Policy Reserves | 15 Experience/ Reported Ratio |
|---------------------------------------|-------------------------|---------------------------------|--------------------------------|-----------------------------|-----------------------------|------------------------|--|---------------------------------------|--|--------------------------------------|--|-------------------------------|--|--|--|
| A. INDIVIDUAL | | | | | | | | | | | | | | | |
| B. GROUP | | | | | | | | | | | | | | | |
| C. SUMMARY | | | | | | | | | | | | | | | |
| 1. TOTAL Current - Individual | | | | | | ... X X X ... | ... X X X ... | | | | | ... X X X ... | | | ... X X X ... |
| 2. TOTAL Prior - Individual | | | | | | ... X X X ... | ... X X X ... | | | | | ... X X X ... | | | ... X X X ... |
| 3. TOTAL 2nd Prior - Individual | | | | | | ... X X X ... | ... X X X ... | | | | | ... X X X ... | | | ... X X X ... |
| 4. TOTAL Current - Group | | | | | | ... X X X ... | ... X X X ... | | | | | ... X X X ... | | | ... X X X ... |
| 5. TOTAL Prior - Group | | | | | | ... X X X ... | ... X X X ... | | | | | ... X X X ... | | | ... X X X ... |
| 6. TOTAL 2nd Prior - Group | | | | | | ... X X X ... | ... X X X ... | | | | | ... X X X ... | | | ... X X X ... |
| 7. Current Year Total | | | | | | | | | | | | | | | |

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

REPORTING YEAR 2014
(To Be Filed By April 1)



NAIC Group Code: 1301

NAIC Company Code: 95779

| Incurred Year | 1 2007 | 2 2008 | 3 2009 | 4 2010 | 5 2011 | 6 2012 | 7 2013 | 8 2014 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| A. Individual | | | | | | | | |
| PART 1 - Total (Direct and Transferred) Amount Paid Policyholders | | | | | | | | |
| 1. Prior | | | | | | | | |
| 2. 2007 | | | | | | | | |
| 3. 2008 | XXX | | | | | | | |
| 4. 2009 | XXX | XXX | | | | | | |
| 5. 2010 | XXX | XXX | XXX | | | | | |
| 6. 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| PART 2 - Sum of Total Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year | | | | | | | | |
| 1. Prior | | | | | | | | |
| 2. 2007 | | | | | | | | |
| 3. 2008 | XXX | | | | | | | |
| 4. 2009 | XXX | XXX | | | | | | |
| 5. 2010 | XXX | XXX | XXX | | | | | |
| 6. 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| PART 3 - Transferred Reserves | | | | | | | | |
| 1. Prior | | | | | | | | |
| 2. 2007 | | | | | | | | |
| 3. 2008 | XXX | | | | | | | |
| 4. 2009 | XXX | XXX | | | | | | |
| 5. 2010 | XXX | XXX | XXX | | | | | |
| 6. 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| PART 4 - Present Value of Incurred Claims | | | | | | | | |
| 1. Prior | | | | | | | | |
| 2. 2007 | | | | | | | | |
| 3. 2008 | XXX | | | | | | | |
| 4. 2009 | XXX | XXX | | | | | | |
| 5. 2010 | XXX | XXX | XXX | | | | | |
| 6. 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |

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

REPORTING YEAR 2014

| Incurred Year | | 1 2007 | 2 2008 | 3 2009 | 4 2010 | 5 2011 | 6 2012 | 7 2013 | 8 2014 |
|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| B. Group | | | | | | | | | |
| PART 1 - Total (Direct and Transferred) Amount Paid Policyholders | | | | | | | | | |
| 1. | Prior | | | | | | | | |
| 2. | 2007 | | | | | | | | |
| 3. | 2008 | XXX | | | | | | | |
| 4. | 2009 | XXX | XXX | | | | | | |
| 5. | 2010 | XXX | XXX | XXX | | | | | |
| 6. | 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. | 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. | 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. | 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| PART 2 - Sum of Total Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year | | | | | | | | | |
| 1. | Prior | | | | | | | | |
| 2. | 2007 | | | | | | | | |
| 3. | 2008 | XXX | | | | | | | |
| 4. | 2009 | XXX | XXX | | | | | | |
| 5. | 2010 | XXX | XXX | XXX | | | | | |
| 6. | 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. | 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. | 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. | 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| PART 3 - Transferred Reserves | | | | | | | | | |
| 1. | Prior | | | | | | | | |
| 2. | 2007 | | | | | | | | |
| 3. | 2008 | XXX | | | | | | | |
| 4. | 2009 | XXX | XXX | | | | | | |
| 5. | 2010 | XXX | XXX | XXX | | | | | |
| 6. | 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. | 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. | 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. | 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| PART 4 - Present Value of Incurred Claims | | | | | | | | | |
| 1. | Prior | | | | | | | | |
| 2. | 2007 | | | | | | | | |
| 3. | 2008 | XXX | | | | | | | |
| 4. | 2009 | XXX | XXX | | | | | | |
| 5. | 2010 | XXX | XXX | XXX | | | | | |
| 6. | 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. | 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. | 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. | 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |

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

REPORTING YEAR 2014

| Incurred Year | | 1 2007 | 2 2008 | 3 2009 | 4 2010 | 5 2011 | 6 2012 | 7 2013 | 8 2014 |
|---|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| C. Summary | | | | | | | | | |
| PART 1 - Total (Direct and Transferred) Amount Paid Policyholders | | | | | | | | | |
| 1. | Prior | | | | | | | | |
| 2. | 2007 | | | | | | | | |
| 3. | 2008 | XXX | | | | | | | |
| 4. | 2009 | XXX | XXX | | | | | | |
| 5. | 2010 | XXX | XXX | XXX | | | | | |
| 6. | 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. | 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. | 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. | 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| PART 2 - Sum of Total Amount Paid Policyholders and Claim Liability and Reserves Outstanding at End of Year | | | | | | | | | |
| 1. | Prior | | | | | | | | |
| 2. | 2007 | | | | | | | | |
| 3. | 2008 | XXX | | | | | | | |
| 4. | 2009 | XXX | XXX | | | | | | |
| 5. | 2010 | XXX | XXX | XXX | | | | | |
| 6. | 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. | 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. | 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. | 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| PART 3 - Transferred Reserves | | | | | | | | | |
| 1. | Prior | | | | | | | | |
| 2. | 2007 | | | | | | | | |
| 3. | 2008 | XXX | | | | | | | |
| 4. | 2009 | XXX | XXX | | | | | | |
| 5. | 2010 | XXX | XXX | XXX | | | | | |
| 6. | 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. | 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. | 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. | 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| PART 4 - Present Value of Incurred Claims | | | | | | | | | |
| 1. | Prior | | | | | | | | |
| 2. | 2007 | | | | | | | | |
| 3. | 2008 | XXX | | | | | | | |
| 4. | 2009 | XXX | XXX | | | | | | |
| 5. | 2010 | XXX | XXX | XXX | | | | | |
| 6. | 2011 | XXX | XXX | XXX | XXX | | | | |
| 7. | 2012 | XXX | XXX | XXX | XXX | XXX | | | |
| 8. | 2013 | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 9. | 2014 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |



LONG-TERM CARE EXPERIENCE REPORTING FORM 4
LIFE AND ANNUITY PRODUCTS WITH LTC ACCELERATED BENEFITS
REPORTING YEAR 2014
(To Be Filed By April 1)

NAIC Group Code: 1301

NAIC Company Code: 95779

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

Total Reserves are reserves for these particular life products with LTC accelerated benefits.
Incurred claims are only the policies that claims have been triggered due to acceleration.

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

2. LOCATION: San Juan, PR 00917

NAIC Company Code 95779

[illegible]

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

Supp81 Puerto Rico

| | | Business Subject to MLR | | | | | | | | 10 Government Business (Excluded by Statute) | 11 Other Health Business | 12 Aggregate (2% Rule) | 13 Subtotal (Cols. 1 thru 12) | 14 Uninsured Plans | 15 Total (Cols. 13 + 14) | |
|-------|--|-------------------------------|------------------------------|------------------------------|-----------------|------------------------------|------------------------------|---------------------|---------------------|--|-----------------------------------|------------------------------|--|--------------------------|--------------------------------|---|
| | | Comprehensive Health Coverage | | | Mini-Med Plans | | | Expatriate Plans | | | | | | | | 9 |
| | | 1 Individual | 2 Small Group Employer | 3 Large Group Employer | 4 Individual | 5 Small Group Employer | 6 Large Group Employer | 7 Small Group | 8 Large Group |  |  |  |  |  |  |  | Student Health Plans |
| 6. | Improving Health Care Quality Expenses Incurred: | | | | | | | | | | | | | | | |
| 6.1 | Improve health outcomes | | | | | | | | | | | | | | | |
| 6.2 | Activities to prevent hospital readmissions | | | | | | | | | | | | | | | |
| 6.3 | Improve patient safety and reduce medical errors | | | | | | | | | | | | | | | |
| 6.4 | Wellness and health promotion activities | | | | | | | | | | | | | | | |
| 6.5 | Health Information Technology expenses related to health improvement | | | | | | | | | | | | | | | |
| 6.6 | TOTAL of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 to 6.5) | | | | | | | | | | | | | | | |
| 7. | Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6) / Line 1.8 | | | | | | | | | XXX | XXX | XXX | XXX | XXX | XXX | |
| 8. | Claim Adjustment Expenses: | | | | | | | | | | | | | | | |
| 8.1 | Cost containment expenses not included in quality of care expenses in Line 6.6 | | | | | | | | | | | | | | | |
| 8.2 | All other claims adjustment expenses | | | | | | | | | | | | | | | |
| 8.3 | TOTAL Claims adjustment expenses (Lines 8.1 + 8.2) | | | | | | | | | | | | | | | |
| 9. | Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8) | | | | | | | | | | | | XXX | XXX | XXX | |
| 10. | General and Administrative (G&A) Expenses: | | | | | | | | | | | | | | | |
| 10.1 | Direct sales salaries and benefits | | | | | | | | | | | | | | | |
| 10.2 | Agents and brokers fees and commissions | | | | | | | | | | | | | | | |
| 10.3 | Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below) | | | | | | | | | | | | | | | |
| 10.4 | Other general and administrative expenses | | | | | | | | | | | | | | | |
| 10.4A | Community Benefit Expenditures (informational only) | | | | | | | | | | | | | | | |
| 10.5 | TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4) | | | | | | | | | | | | | | | |
| 11. | Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5) | | | | | | | | | | | | | XXX | | |
| 12. | Income from fees of uninsured plans | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | |
| 13. | Net investment and other gain/(loss) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 14. | Federal income taxes (excluding taxes on Line 1.5 above) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 15. | Net gain or (loss) (Lines 11 + 12 + 13 - 14) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 16. | ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 6.5) | | | | | | | | | | | | | | | |
| 16A. | ICD-10 Implementation Expenses (informational only; already included in Line 6.5) | | | | | | | | | | | | | | | |
| O. | OTHER INDICATORS: | | | | | | | | | | | | | | | |
| O1. | Number of Certificates / Policies | | | | | | | | | | | | | | | |
| O2. | Number of Covered Lives | | | | | | | | | | | | | | | |
| O3. | Number of Groups | XXX | | | XXX | | | | | | | | | | | |
| O4. | Member Months | | | | | | | | | | | | | | | |

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

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

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

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

NAIC Group Code 1301

BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2014

NAIC Company Code 95779

| Business Subject to MLR | | | | | | | | | | | | | | | |
|-------------------------------|--|--|----------------|----------------------|----------------------|------------------|----------------------|----------------------|-------------|-------------|----------------------|---|-----------------------|---------------------|-----------|
| Comprehensive Health Coverage | | | Mini-Med Plans | | | Expatriate Plans | | 9 | 10 | 11 | 12 | 13 | | | |
| | | | 1 | 2 | 3 | 4 | 5 | | | | | | 6 | 7 | 8 |
| | | | Individual | Small Group Employer | Large Group Employer | Individual | Small Group Employer | Large Group Employer | Small Group | Large Group | Student Health Plans | Government Business (Excluded by Statute) | Other Health Business | Aggregate (2% Rule) | Total (a) |
| 1. | Health Premiums Earned | | | | | | | | | | | | | | |
| 1.01 | Direct premiums written | | | | | | | | | | | | | | |
| 1.02 | Unearned premium prior year | | | | | | | | | | | | | | |
| 1.03 | Unearned premium current year | | | | | | | | | | | | | | |
| 1.04 | Change in unearned premium (Lines 1.2 - 1.3) | | | | | | | | | | | | | | |
| 1.05 | Paid rate credits | | | | | | | | | | | | | | |
| 1.06 | Reserve for rate credits current year | | | | | | | | | | | | | | |
| 1.07 | Reserve for rate credits prior year | | | | | | | | | | | | | | |
| 1.08 | Change in reserve for rate credits (Lines 1.6 - 1.7) | | | | | | | | | | | | | | |
| 1.09 | Premium balances written off | | | | | | | | | | | | | | |
| 1.10 | Group conversion charges | | | | | | | | | | | | | | |
| 1.11 | TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10) | | | | | | | | | | | | | | |
| 1.12 | Assumed premiums earned from non-affiliates | | | | | | | | | | | | | | |
| 1.13 | Net assumed less ceded premiums earned from affiliates | | | | | | | | | | | | | | |
| 1.14 | Ceded premiums earned to non-affiliates | | | | | | | | | | | | | | |
| 1.15 | Other adjustments due to MLR calculation - Premiums | | | | | | | | | | | | | | |
| 1.16 | Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15) | | | | | | | | | | | | | | |
| 2. | Direct Claims Incurred: | | | | | | | | | | | | | | |
| 2.01 | Paid claims during the year | | | | | | | | | | | | | | |
| 2.02 | Direct claim liability current year | | | | | | | | | | | | | | |
| 2.03 | Direct claim liability prior year | | | | | | | | | | | | | | |
| 2.04 | Direct claim reserves current year | | | | | | | | | | | | | | |
| 2.05 | Direct claim reserves prior year | | | | | | | | | | | | | | |
| 2.06 | Direct contract reserves current year | | | | | | | | | | | | | | |
| 2.07 | Direct contract reserves prior year | | | | | | | | | | | | | | |
| 2.08 | Paid rate credits | | | | | | | | | | | | | | |
| 2.09 | Reserve for rate credits current year | | | | | | | | | | | | | | |
| 2.10 | Reserve for rate credits prior year | | | | | | | | | | | | | | |
| 2.11 | Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c) | | | | | | | | | | | | | | |
| 2.11A | Paid medical incentive pools and bonuses current year | | | | | | | | | | | | | | |
| 2.11B | Accrued medical incentive pools and bonuses current year | | | | | | | | | | | | | | |
| 2.11C | Accrued medical incentive pools and bonuses prior year | | | | | | | | | | | | | | |
| 2.12 | Net healthcare receivables (Lines 2.12a - 2.12b) | | | | | | | | | | | | | | |
| 2.12A | Healthcare receivables current year | | | | | | | | | | | | | | |
| 2.12B | Healthcare receivables prior year | | | | | | | | | | | | | | |
| 2.13 | Group conversion charge | | | | | | | | | | | | | | |
| 2.14 | Multi-option coverage blended rate adjustment | | | | | | | | | | | | | | |
| 2.15 | TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14) | | | | | | | | | | | | | | |
| 2.16 | Assumed Incurred Claims from non-affiliates | | | | | | | | | | | | | | |
| 2.17 | Net Assumed less Ceded Incurred Claims from affiliates | | | | | | | | | | | | | | |
| 2.18 | Ceded Incurred Claims to non-affiliates | | | | | | | | | | | | | | |
| 2.19 | Other Adjustments due to MLR calculation - Claims | | | | | | | | | | | | | | |
| 2.20 | Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19) | | | | | | | | | | | | | | |
| 3. | Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only) | | | | | | | | | | | | | | |

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

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

2. LOCATION: San Juan, PR 00917

NAIC Company Code 95779

[illegible]

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

[illegible]

NONE

[illegible]

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

2. LOCATION: San Juan, PR 00917

NAIC Company Code 95779

[illegible]

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

Supp81 Grand Total

| | Business Subject to MLR | | | | | | | | | 10 Government Business (Excluded by Statute) | 11 Other Health Business | 12 Aggregate (2% Rule) | 13 Subtotal (Cols. 1 thru 12) | 14 Uninsured Plans | 15 Total (Cols. 13 + 14) |
|--|-------------------------------|------------------------------|------------------------------|-----------------|------------------------------|------------------------------|---------------------|---------------------|-----|--|-----------------------------------|------------------------------|--|--------------------------|--------------------------------|
| | Comprehensive Health Coverage | | | Mini-Med Plans | | | Expatriate Plans | | 9 | | | | | | |
| | 1 Individual | 2 Small Group Employer | 3 Large Group Employer | 4 Individual | 5 Small Group Employer | 6 Large Group Employer | 7 Small Group | 8 Large Group |  |  |  |  |  |  |  | Student Health Plans |
| 6. Improving Health Care Quality Expenses Incurred: | | | | | | | | | | | | | | | |
| 6.1 Improve health outcomes | | | | | | | | | | | | | | | |
| 6.2 Activities to prevent hospital readmissions | | | | | | | | | | | | | | | |
| 6.3 Improve patient safety and reduce medical errors | | | | | | | | | | | | | | | |
| 6.4 Wellness and health promotion activities | | | | | | | | | | | | | | | |
| 6.5 Health Information Technology expenses related to health improvement | | | | | | | | | | | | | | | |
| 6.6 TOTAL of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 to 6.5) | | | | | | | | | | | | | | | |
| 7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6) / Line 1.8 | | | | | | | | | | XXX | XXX | XXX | XXX | XXX | XXX |
| 8. Claim Adjustment Expenses: | | | | | | | | | | | | | | | |
| 8.1 Cost containment expenses not included in quality of care expenses in Line 6.6 | | | | | | | | | | | | | | | |
| 8.2 All other claims adjustment expenses | | | | | | | | | | | | | | | |
| 8.3 TOTAL Claims adjustment expenses (Lines 8.1 + 8.2) | | | | | | | | | | | | | | | |
| 9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8) | | | | | | | | | | | | | XXX | XXX | XXX |
| 10. General and Administrative (G&A) Expenses: | | | | | | | | | | | | | | | |
| 10.1 Direct sales salaries and benefits | | | | | | | | | | | | | | | |
| 10.2 Agents and brokers fees and commissions | | | | | | | | | | | | | | | |
| 10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below) | | | | | | | | | | | | | | | |
| 10.4 Other general and administrative expenses | | | | | | | | | | | | | | | |
| 10.4A Community Benefit Expenditures (informational only) | | | | | | | | | | | | | | | |
| 10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4) | | | | | | | | | | | | | | | |
| 11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5) | | | | | | | | | | | | | | XXX | |
| 12. Income from fees of uninsured plans | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 13. Net investment and other gain/(loss) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 14. Federal income taxes (excluding taxes on Line 1.5 above) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 15. Net gain or (loss) (Lines 11 + 12 + 13 - 14) | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 6.5) | | | | | | | | | | | | | | | |
| 16A. ICD-10 Implementation Expenses (informational only; already included in Line 6.5) | | | | | | | | | | | | | | | |
| O. OTHER INDICATORS: | | | | | | | | | | | | | | | |
| O1. Number of Certificates / Policies | | | | | | | | | | | | | | | |
| O2. Number of Covered Lives | | | | | | | | | | | | | | | |
| O3. Number of Groups | XXX | | | XXX | | | | | | | | | | | |
| O4. Member Months | | | | | | | | | | | | | | | |

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

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

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

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

NAIC Group Code 1301

BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2014

NAIC Company Code 95779

| | | Business Subject to MLR | | | | | | | | 10 Government Business (Excluded by Statute) | 11 Other Health Business | 12 Aggregate (2% Rule) | 13 Total (a) | |
|----|---|-------------------------------|------------------------------|------------------------------|-----------------|------------------------------|------------------------------|---------------------|---------------------|--|-----------------------------------|------------------------------|-----------------|------------------------------|
| | | Comprehensive Health Coverage | | | Mini-Med Plans | | | Expatriate Plans | | | | | | 9 Student Health Plans |
| | | 1 Individual | 2 Small Group Employer | 3 Large Group Employer | 4 Individual | 5 Small Group Employer | 6 Large Group Employer | 7 Small Group | 8 Large Group | | | | | |
| 1. | Health Premiums Earned | | | | | | | | | | | | | |
| | 1.01 Direct premiums written | | | | | | | | | | | | | |
| | 1.02 Unearned premium prior year | | | | | | | | | | | | | |
| | 1.03 Unearned premium current year | | | | | | | | | | | | | |
| | 1.04 Change in unearned premium (Lines 1.2 - 1.3) | | | | | | | | | | | | | |
| | 1.05 Paid rate credits | | | | | | | | | | | | | |
| | 1.06 Reserve for rate credits current year | | | | | | | | | | | | | |
| | 1.07 Reserve for rate credits prior year | | | | | | | | | | | | | |
| | 1.08 Change in reserve for rate credits (Lines 1.6 - 1.7) | | | | | | | | | | | | | |
| | 1.09 Premium balances written off | | | | | | | | | | | | | |
| | 1.10 Group conversion charges | | | | | | | | | | | | | |
| | 1.11 TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10) | | | | | | | | | | | | | |
| | 1.12 Assumed premiums earned from non-affiliates | | | | | | | | | | | | | |
| | 1.13 Net assumed less ceded premiums earned from affiliates | | | | | | | | | | | | | |
| | 1.14 Ceded premiums earned to non-affiliates | | | | | | | | | | | | | |
| | 1.15 Other adjustments due to MLR calculation - Premiums | | | | | | | | | | | | | |
| | 1.16 Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15) | | | | | | | | | | | | | |
| 2. | Direct Claims Incurred: | | | | | | | | | | | | | |
| | 2.01 Paid claims during the year | | | | | | | | | | | | | |
| | 2.02 Direct claim liability current year | | | | | | | | | | | | | |
| | 2.03 Direct claim liability prior year | | | | | | | | | | | | | |
| | 2.04 Direct claim reserves current year | | | | | | | | | | | | | |
| | 2.05 Direct claim reserves prior year | | | | | | | | | | | | | |
| | 2.06 Direct contract reserves current year | | | | | | | | | | | | | |
| | 2.07 Direct contract reserves prior year | | | | | | | | | | | | | |
| | 2.08 Paid rate credits | | | | | | | | | | | | | |
| | 2.09 Reserve for rate credits current year | | | | | | | | | | | | | |
| | 2.10 Reserve for rate credits prior year | | | | | | | | | | | | | |
| | 2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c) | | | | | | | | | | | | | |
| | 2.11A Paid medical incentive pools and bonuses current year | | | | | | | | | | | | | |
| | 2.11B Accrued medical incentive pools and bonuses current year | | | | | | | | | | | | | |
| | 2.11C Accrued medical incentive pools and bonuses prior year | | | | | | | | | | | | | |
| | 2.12 Net healthcare receivables (Lines 2.12a - 2.12b) | | | | | | | | | | | | | |
| | 2.12A Healthcare receivables current year | | | | | | | | | | | | | |
| | 2.12B Healthcare receivables prior year | | | | | | | | | | | | | |
| | 2.13 Group conversion charge | | | | | | | | | | | | | |
| | 2.14 Multi-option coverage blended rate adjustment | | | | | | | | | | | | | |
| | 2.15 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14) | | | | | | | | | | | | | |
| | 2.16 Assumed Incurred Claims from non-affiliates | | | | | | | | | | | | | |
| | 2.17 Net Assumed less Ceded Incurred Claims from affiliates | | | | | | | | | | | | | |
| | 2.18 Ceded Incurred Claims to non-affiliates | | | | | | | | | | | | | |
| | 2.19 Other Adjustments due to MLR calculation - Claims | | | | | | | | | | | | | |
| | 2.20 Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 - 2.17 - 2.18 + 2.19) | | | | | | | | | | | | | |
| 3. | Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only) | | | | | | | | | | | | | |

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

Supp82 Grand Total

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

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

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

BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2014

NAIC Group Code 1301

NAIC Company Code 95779

| All Expenses | | Improving Health Care Quality Expenses | | | | | Claims Adjustment Expenses | | 9 | 10 |
|--------------|---|--|--|---|---|-------------------|----------------------------|--------------------------------|---------------------------------------|---------------------------------|
| | | 1 Improve Health Outcomes | 2 Activities to Prevent Hospital Readmissions | 3 Improve Patient Safety and Reduce Medical Errors | 4 Wellness & Health Promotion Activities | 5 HIT Expenses | 6 Total (1 to 5) | 7 Cost Containment Expenses | 8 Other Claims Adjustment Expenses | General Administrative Expenses | Total Expenses (6 to 9) |
| 1. | Individual Comprehensive Coverage Expenses: | | | | | | | | | |
| 1.01 | Salaries (including \$##### for affiliated services) | | | | | | | | | |
| 1.02 | Outsourced services | | | | | | | | | |
| 1.03 | EDP Equipment and Software (incl \$##### for affiliated services) | | | | | | | | | |
| 1.04 | Other Equipment (excluding EDP) (incl \$##### for affiliated services) | | | | | | | | | |
| 1.05 | Accreditation and Certification (incl \$##### for affiliated services) | | X X X | X X X | X X X | X X X | | | | |
| 1.06 | Other Expenses (incl \$##### for affiliated services) | | | | | | | | | |
| 1.07 | Subtotal before reimbursements and taxes (Lines 1.1 to 1.6) | | | | | | | | | |
| 1.08 | Reimbursements by uninsured plans and fiscal intermediaries | | | | | | | | | |
| 1.09 | Taxes, licenses and fees (in total, for tying purposes) | X X X | X X X | X X X | X X X | X X X | X X X | X X X | | |
| 1.10 | TOTAL (Lines 1.7 to 1.9) | | | | | | | | | |
| 1.11 | TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only) | | | | | | | | | |
| 2. | Small Group Comprehensive Coverage Expenses: | | | | | | | | | |
| 2.01 | Salaries (including \$##### for affiliated services) | | | | | | | | | |
| 2.02 | Outsourced services | | | | | | | | | |
| 2.03 | EDP Equipment and Software (incl \$##### for affiliated services) | | | | | | | | | |
| 2.04 | Other Equipment (excluding EDP) (incl \$##### for affiliated services) | | | | | | | | | |
| 2.05 | Accreditation and Certification (incl \$##### for affiliated services) | | X X X | N O N E | X | X X X | | | | |
| 2.06 | Other Expenses (incl \$##### for affiliated services) | | | | | | | | | |
| 2.07 | Subtotal before reimbursements and taxes (Lines 2.1 to 2.6) | | | | | | | | | |
| 2.08 | Reimbursements by uninsured plans and fiscal intermediaries | | | | | | | | | |
| 2.09 | Taxes, licenses and fees (in total, for tying purposes) | X X X | X X X | X X X | X X X | X X X | X X X | X X X | | |
| 2.10 | TOTAL (Lines 2.7 to 2.9) | | | | | | | | | |
| 2.11 | TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only) | | | | | | | | | |
| 3. | Large Group Comprehensive Coverage Expenses: | | | | | | | | | |
| 3.01 | Salaries (including \$##### for affiliated services) | | | | | | | | | |
| 3.02 | Outsourced services | | | | | | | | | |
| 3.03 | EDP Equipment and Software (incl \$##### for affiliated services) | | | | | | | | | |
| 3.04 | Other Equipment (excluding EDP) (incl \$##### for affiliated services) | | | | | | | | | |
| 3.05 | Accreditation and Certification (incl \$##### for affiliated services) | | X X X | X X X | X X X | X X X | | | | |
| 3.06 | Other Expenses (incl \$##### for affiliated services) | | | | | | | | | |
| 3.07 | Subtotal before reimbursements and taxes (Lines 3.1 to 3.6) | | | | | | | | | |
| 3.08 | Reimbursements by uninsured plans and fiscal intermediaries | | | | | | | | | |
| 3.09 | Taxes, licenses and fees (in total, for tying purposes) | X X X | X X X | X X X | X X X | X X X | X X X | X X X | | |
| 3.10 | TOTAL (Lines 3.7 to 3.9) | | | | | | | | | |
| 3.11 | TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only) | | | | | | | | | |

Supp83 Grand Total

NONE

[illegible]



SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT

(To Be Filed by April 1)

NAIC Group Code: 1301

NAIC Company Code: 95779

Description of allocation methodology:

Detailed Description of Quality Improvement Expenses:

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



Statement of Actuarial Opinion



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



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



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



Management's Discussion and Analysis

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

Financial Position

The Company's financial position at December 31, 2014 and 2013 was as follows:

| | 2014 | Percentage | 2013 | Percentage |
|--|--------------|------------|--------------|------------|
| Admitted Assets | | | | |
| Bonds, notes, and mortgage-backed securities | \$74,022 | | \$95,012 | |
| Common stocks | 242,774 | | 251,628 | |
| Cash, cash equivalents, and short-term investments | 4,358,765 | | 5,931,491 | |
| Total cash and invested assets | 4,675,561 | 69.32% | 6,278,131 | 74.76% |
| Premiums receivable, net | 1,366,982 | 20.27% | 1,366,982 | 16.28% |
| Accrued interest receivable | 511 | 0.01% | 601 | 0.01% |
| Amount receivable related to uninsured plans | | 0.00% | - | 0.00% |
| Deferred tax asset, net | | 0.00% | 0 | 0.00% |
| Healthcare receivables | | | - | |
| Prepaid income tax | 701,560 | | 752,390 | |
| Total admitted assets | \$ 6,744,614 | 100% | \$ 8,398,104 | 100% |
| Unpaid claims | \$ 5,531,063 | 82.01% | \$ 8,538,633 | 101.67% |
| Accounts payable and accrued liabilities | | 0.00% | | 0.00% |
| Deferred tax liabilities | 9,944 | | 9,060.00 | |
| Due to parent company and affiliates | - | 0.00% | - | 0.00% |
| Other liabilities | 600,000 | 8.90% | 600,000 | 7.14% |
| Total liabilities | 6,141,007 | | 9,147,693 | |
| Capital and Surplus | 603,607 | 8.95% | -749,589 | -8.93% |
| Total liabilities and capital and surplus | \$ 6,744,614 | 100% | \$ 8,398,104 | 100% |

MCS Health Management Options, Inc. (the Company) is a health maintenance organization operating under the provisions of the Insurance Code and Insurance Regulations of the Commonwealth of Puerto Rico. All of the Company's business activities are in the Commonwealth of Puerto Rico, which exposes the Company to geographical risk. The Company is wholly owned by Medical Card System, Inc.

At December 31, 2014, there were no subscribers given that the Company effectively terminated its contract on July 1, 2011 with the Puerto Rico Health Insurance Administrator (ASES). The Company entered into a Transition Agreement on August 18, 2011, effective July 1, 2011, and ending on October 31, 2011 with the ASES. Under the Transition Agreement, MCS HMO maintained claims-processing and other functions as specified in the Contract, as may be necessary, for a period not to exceed ten (10) consecutive months beginning November 1, 2011 and ending on or before August 31, 2012, in order to complete the adjudication of all Claims. ASES and MCS HMO agreed to extend the term of the Run-Out Period to December 31, 2012. MCS HMO continued to process and pay, if appropriate, the adjustments to claims submitted by providers and its only activities at the present time are the claims-processing functions described above.

As of December 31, 2014 and 2013, the Company has premiums receivable from the Administration of approximately \$1.4 million, reported as part of the premiums receivable and other, net in the accompanying balance sheets.

Cash and invested assets amounts to \$4,675,561 in 2014 and \$6,278,131 in 2013. The Company has adopted investment policies and practices to manage the investment portfolio and asset allocation. Cash, short-term investments and cash equivalents amount to \$4,358,765 at December 31, 2014.

The remaining admitted assets amount to \$2,069,053 in December 31, 2014, includes \$511 in accrued investment income, \$701,560 in Prepaid Income Taxes and \$1,366,982 in uncollected premium revenues from ASES.

Management's Discussion and Analysis

Claims payable amounts to \$5,531,063 in 2014 and \$8,538,633 in 2013.

Results of Operations

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

| | <u>2014</u> | <u>Percentage</u> | <u>2013</u> | <u>Percentage</u> |
|----------------------------|--------------------|-------------------|----------------------|-------------------|
| Net Premium income | \$0 | | \$0 | |
| Medical costs | (1,120,913) | 101.82% | 4,524,703 | 98.50% |
| Claims adjustment expenses | | 0.00% | - | 0.00% |
| Administrative expenses | 20,087 | -1.82% | 68,754 | 1.50% |
| Total | <u>(1,100,826)</u> | | <u>4,593,457</u> | |
| Net underwriting gain | 1,100,826 | | (4,593,457) | |
| Net investment income | 14,074 | | 105,866 | |
| other income | | | - | |
| Income before taxes | <u>\$1,114,900</u> | | <u>(\$4,487,591)</u> | |
| Income taxes | \$51,410 | | \$0 | |
| Net Income (loss) | \$1,063,490 | | (\$4,487,591) | |

Net loss as of 12/31/2014 is many due to a re-estimation of the claims expense under the Mi Salud contract that terminated back in 2011.

This adjustment was recorded as a change in accounting estimate.



Audited Financial Report



Accountant's Letter of Qualification



Communication of Internal Control Related Matters Noted in an Audit



Management's Report of Internal Control over Financial Reporting

INDEX TO HEALTH
ANNUAL STATEMENT

| | |
|--|------|
| Analysis of Operations By Lines of Business | 7 |
| Assets | 2 |
| Cash Flow | 6 |
| Exhibit 1 - Enrollment By Product Type for Health Business Only | 17 |
| Exhibit 2 - Accident and Health Premiums Due and Unpaid | 18 |
| Exhibit 3 - Health Care Receivables | 19 |
| Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued | 20 |
| Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus | 21 |
| Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates | 22 |
| Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates | 23 |
| Exhibit 7 - Part 1 - Summary of Transactions With Providers | 24 |
| Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries | 24 |
| Exhibit 8 - Furniture, Equipment and Supplies Owned | 25 |
| Exhibit of Capital Gains (Losses) | 15 |
| Exhibit of Net Investment Income | 15 |
| Exhibit of Nonadmitted Assets | 16 |
| Exhibit of Premiums, Enrollment and Utilization (State Page) | 30 |
| Five-Year Historical Data | 29 |
| General Interrogatories | 27 |
| Jurat Page | 1 |
| Liabilities, Capital and Surplus | 3 |
| Notes To Financial Statements | 26 |
| Overflow Page For Write-ins | 44 |
| Schedule A - Part 1 | E01 |
| Schedule A - Part 2 | E02 |
| Schedule A - Part 3 | E03 |
| Schedule A - Verification Between Years | SI02 |
| Schedule B - Part 1 | E04 |
| Schedule B - Part 2 | E05 |
| Schedule B - Part 3 | E06 |
| Schedule B - Verification Between Years | SI02 |
| Schedule BA - Part 1 | E07 |
| Schedule BA - Part 2 | E08 |
| Schedule BA - Part 3 | E09 |
| Schedule BA - Verification Between Years | SI03 |
| Schedule D - Part 1 | E10 |
| Schedule D - Part 1A - Section 1 | SI05 |
| Schedule D - Part 1A - Section 2 | SI08 |
| Schedule D - Part 2 - Section 1 | E11 |
| Schedule D - Part 2 - Section 2 | E12 |
| Schedule D - Part 3 | E13 |
| Schedule D - Part 4 | E14 |
| Schedule D - Part 5 | E15 |
| Schedule D - Part 6 - Section 1 | E16 |
| Schedule D - Part 6 - Section 2 | E16 |
| Schedule D - Summary By Country | SI04 |
| Schedule D - Verification Between Years | SI03 |
| Schedule DA - Part 1 | E17 |
| Schedule DA - Verification Between Years | SI10 |
| Schedule DB - Part A - Section 1 | E18 |
| Schedule DB - Part A - Section 2 | E19 |
| Schedule DB - Part A - Verification Between Years | SI11 |
| Schedule DB - Part B - Section 1 | E20 |
| Schedule DB - Part B - Section 2 | E21 |
| Schedule DB - Part B - Verification Between Years | SI11 |
| Schedule DB - Part C - Section 1 | SI12 |
| Schedule DB - Part C - Section 2 | SI13 |
| Schedule DB - Part D - Section 1 | E22 |
| Schedule DB - Part D - Section 2 | E23 |

INDEX TO HEALTH
ANNUAL STATEMENT

| | |
|--|------|
| Schedule DB - Verification | SI14 |
| Schedule DL - Part 1 | E24 |
| Schedule DL - Part 2 | E25 |
| Schedule E - Part 1 - Cash | E26 |
| Schedule E - Part 2 - Cash Equivalents | E27 |
| Schedule E - Part 3 - Special Deposits | E28 |
| Schedule E - Verification Between Years | SI15 |
| Schedule S - Part 1 - Section 2 | 31 |
| Schedule S - Part 2 | 32 |
| Schedule S - Part 3 - Section 2 | 33 |
| Schedule S - Part 4 | 34 |
| Schedule S - Part 5 | 35 |
| Schedule S - Part 6 | 36 |
| Schedule S - Part 7 | 37 |
| Schedule T - Part 2 - Interstate Compact | 39 |
| Schedule T - Premiums and Other Considerations | 38 |
| Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group | 40 |
| Schedule Y - Part 1A - Detail of Insurance Holding Company System | 41 |
| Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates | 42 |
| Statement of Revenue and Expenses | 4 |
| Summary Investment Schedule | SI01 |
| Supplemental Exhibits and Schedules Interrogatories | 43 |
| Underwriting and Investment Exhibit - Part 1 | 8 |
| Underwriting and Investment Exhibit - Part 2 | 9 |
| Underwriting and Investment Exhibit - Part 2A | 10 |
| Underwriting and Investment Exhibit - Part 2B | 11 |
| Underwriting and Investment Exhibit - Part 2C | 12 |
| Underwriting and Investment Exhibit - Part 2D | 13 |
| Underwriting and Investment Exhibit - Part 3 | 14 |

ANNUAL DISKETTE TRANSMITTAL FORM AND CERTIFICATION
(HEALTH)

Name of Insurer MCS Health Management Options, Inc.

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

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

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

- B. Additional comments if necessary for clarification:
- C. Diskette Contact Person: Javier Perez
Phone: (787)758-2500
Address: PO BOX 193310, SAN JUAN, PR 00919-3310
- D. Software Vendor: SunGard iWORKS - Statutory
Version: 2014.A.2
- E. Have material validation failures been addressed in the explanation file? Yes[] No[X]
- F. The undersigned hereby certifies that, according to the best of his/her knowledge and belief: that the diskettes submitted with this form were prepared in compliance with the NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that annual statement information required to be contained on diskette is identical to the information in the 2014 Annual Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes have been scanned through a virus detection software package, and no viruses are present on the diskettes. The virus detection software used was (name):

(version number):

(Signed) _____

Type Name and Title: Javier Pérez - Reporting Manager

Amended Explanation Page