



# ANNUAL STATEMENT

## For the Year Ending DECEMBER 31, 2015

### OF THE CONDITION AND AFFAIRS OF THE

# Neighborhood Health Plan of Rhode Island

NAIC Group Code	0000 <small>(Current Period)</small>	0000 <small>(Prior Period)</small>	NAIC Company Code	95402	Employer's ID Number	05-0477052
Organized under the Laws of	Rhode Island		State of Domicile or Port of Entry	Rhode Island		
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	12/09/1993		Commenced Business	12/01/1994		
Statutory Home Office	299 Promenade Street <small>(Street and Number)</small>		Providence, RI, US 02908 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	299 Promenade Street <small>(Street and Number)</small>					
	Providence, RI, US 02908 <small>(City or Town, State, Country and Zip Code)</small>		(401)459-6000 <small>(Area Code) (Telephone Number)</small>			
Mail Address	299 Promenade Street <small>(Street and Number or P.O. Box)</small>		Providence, RI, US 02908 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	299 Promenade Street <small>(Street and Number)</small>					
	Providence, RI, US 02908 <small>(City or Town, State, Country and Zip Code)</small>		(401)427-8178 <small>(Area Code) (Telephone Number)</small>			
Internet Website Address	http://www.nhpri.org/					
Statutory Statement Contact	Constance Jaquith <small>(Name)</small>		(401)427-8178 <small>(Area Code)(Telephone Number)(Extension)</small>			
	cjaquith@nhpri.org <small>(E-Mail Address)</small>		(401)459-6043 <small>(Fax Number)</small>			

### OFFICERS

Name	Title
Peter Marino	Chief Executive Officer
Frank Meaney	Chief Financial Officer #
Francisco Trilla MD	Chief Medical Officer
Shantha Diaz	Chief Operating Officer

### OTHERS

Peter Bancroft, Chairman #	Jane Hayward, Vice Chairman
Brenda Dowlatshahi, Secretary	Peter Walsh, Treasurer

### DIRECTORS OR TRUSTEES

Merrill Thomas Raymond Joseph Lavoie Jr. Pablo Rodriguez MD Peter Bancroft CPA Peter Walsh William Hochstrasser-Walsh Michael Lichtenstein Richard Besdine MD	Brenda Dowlatshahi Christopher Little Esq. Jane Hayward Doris De Los Santos Charles Jones Dennis Roy Patricia Martinez Peter Marino
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State of Rhode Island  
County of Providence 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) Peter Marino _____ (Printed Name) 1. Chief Executive Officer _____ (Title)	_____ (Signature) Frank Meaney _____ (Printed Name) 2. Chief Financial Officer _____ (Title)	_____ (Signature) Francisco Trilla, MD _____ (Printed Name) 3. Chief Medical Officer _____ (Title)
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016

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

Yes[X] No[ ]

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

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

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	98,261,314		98,261,314	96,344,886
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 (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 (\$.....104,324,476, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....146,961,135, Schedule DA) .....	251,285,611		251,285,611	141,692,825
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				2,712
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) .....	349,546,925		349,546,925	238,040,423
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	560,690		560,690	570,645
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	3,876,898		3,876,898	6,106,388
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	1,080,949		1,080,949	839,066
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....	528,704		528,704	528,704
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 .....	957,430		957,430	401,059
21. Furniture and equipment, including health care delivery assets (\$.....0) .....	787,638	787,638		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....9,487,178) and other amounts receivable .....	10,810,115	1,322,607	9,487,508	2,749,782
25. Aggregate write-ins for other than invested assets .....	4,833,960	1,392,912	3,441,049	2,750,779
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	372,983,310	3,503,157	369,480,153	251,986,846
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	372,983,310	3,503,157	369,480,153	251,986,846
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Other Receivable .....	3,446,884	5,835	3,441,049	2,563,860
2502. Prepaid Expense .....	1,064,586	1,064,586		
2503. Leasehold Improvements .....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	322,491	322,491		186,919
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	4,833,960	1,392,912	3,441,049	2,750,779

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	81,473,582		81,473,582	76,566,893
2. Accrued medical incentive pool and bonus amounts .....	1,779,863		1,779,863	3,735,250
3. Unpaid claims adjustment expenses .....	2,204,795		2,204,795	2,093,287
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	100,334,033		100,334,033	48,055,888
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	79,950,116		79,950,116	54,141,122
9. General expenses due or accrued .....	12,274,306		12,274,306	8,313,078
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 .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	436,576		436,576	960,745
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 .....	3,286		3,286	
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 .....	5,461,985		5,461,985	
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....	5,562		5,562	5,273
24. TOTAL Liabilities (Lines 1 to 23) .....	283,924,104		283,924,104	193,871,536
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X		
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X		
29. Surplus notes .....	X X X	X X X		1,000,000
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	85,556,049	57,115,309
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	85,556,049	58,115,309
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	369,480,153	251,986,845
<b>DETAILS OF WRITE-INS</b>				
2301. Unclaimed Property Payable .....	5,562		5,562	5,273
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) .....	5,562		5,562	5,273
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	2,068,756	1,662,870
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	1,009,429,239	892,603,640
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	1,945,697	1,818,076
7. Aggregate write-ins for other non-health revenues .....	X X X		
8. TOTAL Revenues (Lines 2 to 7) .....	X X X	1,011,374,936	894,421,716
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		412,482,290	382,264,605
10. Other professional services .....		183,790,942	148,534,589
11. Outside referrals .....		91,590,176	82,045,140
12. Emergency room and out-of-area .....		38,689,127	33,451,136
13. Prescription drugs .....		104,865,354	87,329,996
14. Aggregate write-ins for other hospital and medical .....		42,795,862	55,442,190
15. Incentive pool, withhold adjustments and bonus amounts .....		8,870,453	9,258,640
16. Subtotal (Lines 9 to 15) .....		883,084,205	798,326,296
<b>Less:</b>			
17. Net reinsurance recoveries .....		2,010,475	2,264,954
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		881,073,730	796,061,342
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....13,717,468 cost containment expenses .....		23,395,147	18,464,974
21. General administrative expenses .....		78,880,735	59,451,842
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) .....		983,349,611	873,978,158
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	28,025,324	20,443,558
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		791,913	582,667
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....		145,039	137,098
27. Net investment gains (losses) (Lines 25 plus 26) .....		936,952	719,765
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....386,625)] .....		(386,625)	(67,089)
29. Aggregate write-ins for other income or expenses .....			35,400
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	28,575,651	21,131,634
31. Federal and foreign income taxes incurred .....	X X X		
32. Net income (loss) (Lines 30 minus 31) .....	X X X	28,575,651	21,131,634
<b>DETAILS OF WRITE-INS</b>			
0601. EOHHS Incentive Income .....	X X X	1,945,697	1,818,076
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	1,945,697	1,818,076
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. Stop Loss Recoveries from EOHHS .....		(12,886,155)	(1,778,005)
1402. Gain Shares due to EOHHS .....		61,496,546	57,388,251
1403. CMS Cost Sharing Reduction Recoveries .....		(5,814,529)	(168,056)
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		42,795,862	55,442,190
2901. Miscellaneous Income .....			150
2902. Grant Revenue .....			35,250
2903. Community Health Centers Grant Expense .....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			35,400

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	58,115,309	35,746,810
34. Net income or (loss) from Line 32 .....	28,575,651	21,131,634
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 .....	(68,353)	205,850
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	(66,558)	1,031,015
40. Change in unauthorized and certified reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....	(1,000,000)	
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) .....	27,440,739	22,368,499
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	85,556,048	58,115,309
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
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
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	1,089,745,868	939,573,095
2.	Net investment income .....	1,799,608	1,100,472
3.	Miscellaneous income .....	1,945,697	1,818,076
4.	TOTAL (Lines 1 through 3) .....	1,093,491,173	942,491,643
5.	Benefit and loss related payments .....	885,566,452	755,743,818
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	93,127,786	75,244,804
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....		
10.	TOTAL (Lines 5 through 9) .....	978,694,238	830,988,622
11.	Net cash from operations (Line 4 minus Line 10) .....	114,796,935	111,503,021
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	55,583,846	57,882,361
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 .....		644
12.7	Miscellaneous proceeds .....	9,009	
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	55,592,854	57,883,005
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	58,424,344	107,490,835
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		2,713
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	58,424,344	107,493,548
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) .....	(2,831,489)	(49,610,543)
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....	(1,000,000)	
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	(1,372,659)	2,324,948
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(2,372,659)	2,324,948
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	109,592,786	64,217,426
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	141,692,824	77,475,398
19.2	End of year (Line 18 plus Line 19.1) .....	251,285,610	141,692,824

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

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## 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 .....	1,009,429,239	42,648,692						966,780,547		
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 .....	1,945,697							1,945,697		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) .....	1,011,374,936	42,648,692						968,726,244		
8. Hospital/medical benefits .....	412,482,290	17,430,210						395,052,080		X X X
9. Other professional services .....	183,790,942	10,389,096						173,401,845		X X X
10. Outside referrals .....	91,590,176	1,857,914						89,732,262		X X X
11. Emergency room and out-of-area .....	38,689,127	1,295,553						37,393,574		X X X
12. Prescription drugs .....	104,865,354	5,345,346						99,520,009		X X X
13. Aggregate write-ins for other hospital and medical .....	42,795,862	(5,814,529)						48,610,391		X X X
14. Incentive pool, withhold adjustments and bonus amounts .....	8,870,453							8,870,453		X X X
15. Subtotal (Lines 8 to 14) .....	883,084,205	30,503,590						852,580,615		X X X
16. Net reinsurance recoveries .....	2,010,475	1,081,499						928,975		X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16) .....	881,073,730	29,422,091						851,651,640		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 \$.....13,717,468 cost containment expenses .....	23,395,147	381,906						23,013,241		
20. General administrative expenses .....	78,880,735	10,266,578						68,614,157		
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) .....	983,349,611	40,070,574						943,279,038		
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	28,025,324	2,578,118						25,447,206		
<b>DETAILS OF WRITE-INS</b>										
0501. EOHHS Incentive Income .....	1,945,697							1,945,697		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) .....	1,945,697							1,945,697		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. Stop Loss Recoveries from EOHHS .....	(12,886,155)							(12,886,155)		X X X
1302. Gain Share Due to EOHHS .....	61,496,546							61,496,546		X X X
1303. CMS Cost Sharing Reduction Recoveries .....	(5,814,529)	(5,814,529)								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) .....	42,795,862	(5,814,529)						48,610,391		X X X

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	43,785,880		1,137,188	42,648,692
2. Medicare Supplement .....				
3. Dental only .....				
4. Vision only .....				
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII - Medicare .....				
7. Title XIX - Medicaid .....	971,074,695		4,294,148	966,780,547
8. Other health .....				
9. Health subtotal (Lines 1 through 8) .....	1,014,860,575		5,431,336	1,009,429,239
10. Life .....				
11. Property/casualty .....				
12. TOTALS (Lines 9 to 11) .....	1,014,860,575		5,431,336	1,009,429,239



## 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 .....	876,532,732	25,164,033						851,368,699		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....	1,792,119	22,153						1,769,966		
1.4 Net .....	874,740,613	25,141,880						849,598,733		
2. Paid medical incentive pools and bonuses .....	10,825,841							10,825,841		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	81,473,580	5,702,119						75,771,461		
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	81,473,580	5,702,119						75,771,461		
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 .....	1,779,863							1,779,863		
6. Net healthcare receivables (a) .....	7,202,141	178,326						7,023,814		
7. Amounts recoverable from reinsurers December 31, current year .....	1,080,949	1,080,949								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	76,590,420	184,236						76,406,184		
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....	23,527							23,527		
8.4 Net .....	76,566,893	184,236						76,382,657		
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 .....	3,735,250							3,735,250		
11. Amounts recoverable from reinsurers December 31, prior year .....	839,066	21,602						817,464		
12. Incurred benefits:										
12.1 Direct .....	874,213,752	30,503,590						843,710,162		
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....	2,010,475	1,081,499						928,975		
12.4 Net .....	872,203,277	29,422,091						842,781,186		
13. Incurred medical incentive pools and bonuses .....	8,870,453							8,870,453		

(a) Excludes \$.....608,332 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 .....	5,689,334	398,181						5,291,153		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	5,689,334	398,181						5,291,153		
2. Incurred but Unreported:										
2.1 Direct .....	75,784,246	5,303,938						70,480,308		
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	75,784,246	5,303,938						70,480,308		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	81,473,580	5,702,119						75,771,461		
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	81,473,580	5,702,119						75,771,461		

## UNDERWRITING AND INVESTMENT EXHIBIT

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

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical) .....	76,909	24,005,624		5,702,119	76,909	184,235
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....						
7.	Title XIX - Medicaid .....	67,203,818	783,212,379		75,771,461	67,203,818	76,382,657
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	67,280,727	807,218,003		81,473,580	67,280,727	76,566,892
10.	Healthcare receivables (a) .....	1,859,566	8,342,218			1,859,566	2,999,643
11.	Other non-health .....						
12.	Medical incentive pool and bonus amounts .....	3,276,876	7,548,965	36	1,779,827	3,276,911	3,735,250
13.	TOTALS (Lines 9 - 10 + 11 + 12) .....	68,698,037	806,424,750	36	83,253,407	68,698,073	77,302,499

(a) Excludes \$.....608,332 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 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	30,028	29,810	29,870	29,438	29,438
2.	2011 .....	339,190	379,027	379,263	379,209	379,074
3.	2012 .....	X X X	343,870	375,957	375,790	375,671
4.	2013 .....	X X X	X X X	347,000	383,600	383,519
5.	2014 .....	X X X	X X X	X X X	721,291	792,183
6.	2015 .....	X X X	X X X	X X X	X X X	807,565

**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 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	31,323	30,687	30,281	29,438	29,438
2.	2011 .....	379,281	379,281	379,263	379,209	379,074
3.	2012 .....	X X X	381,584	375,968	375,790	375,671
4.	2013 .....	X X X	X X X	387,241	383,891	383,519
5.	2014 .....	X X X	X X X	X X X	801,302	792,183
6.	2015 .....	X X X	X X X	X X X	X X X	890,819

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2011 .....	429,784	379,074	10,208	2.693	389,282	90.576			389,282	90.576
2. 2012 .....	425,981	375,671	11,354	3.022	387,025	90.855			387,025	90.855
3. 2013 .....	426,399	383,519	12,261	3.197	395,780	92.819			395,780	92.819
4. 2014 .....	892,604	792,183	19,419	2.451	811,602	90.925			811,602	90.925
5. 2015 .....	1,009,430	807,565	20,195	2.501	827,760	82.003	83,254	2,204	913,218	90.469

12 Total

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

**Hospital and Medical**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X	1,666	1,743
6. 2015 .....	X X X	X X X	X X X	X X X	23,827

**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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X	1,850	1,743
6. 2015 .....	X X X	X X X	X X X	X X X	29,529

**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. 2011 .....										
2. 2012 .....										
3. 2013 .....										
4. 2014 .....	2,441	1,743	242	13.861	1,985	81.303			1,985	81.303
5. 2015 .....	42,649	23,827	209	0.879	24,036	56.359	5,702	154	29,892	70.089

12 Hospital and Medical

- 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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	30,028	29,810	29,870	29,438	29,438
2. 2011 .....	339,190	379,027	379,263	379,209	379,074
3. 2012 .....	X X X	343,870	375,957	375,790	375,671
4. 2013 .....	X X X	X X X	347,000	383,600	383,519
5. 2014 .....	X X X	X X X	X X X	719,625	790,440
6. 2015 .....	X X X	X X X	X X X	X X X	783,738

**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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	31,323	30,687	30,281	29,438	29,438
2. 2011 .....	379,281	379,281	379,263	379,209	379,074
3. 2012 .....	X X X	381,584	375,968	375,790	375,671
4. 2013 .....	X X X	X X X	387,241	383,891	383,519
5. 2014 .....	X X X	X X X	X X X	799,452	790,440
6. 2015 .....	X X X	X X X	X X X	X X X	861,290

**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. 2011 .....	429,784	379,074	10,208	2.693	389,282	90.576			389,282	90.576
2. 2012 .....	425,981	375,671	11,354	3.022	387,025	90.855			387,025	90.855
3. 2013 .....	426,399	383,519	12,261	3.197	395,780	92.819			395,780	92.819
4. 2014 .....	890,163	790,440	19,177	2.426	809,617	90.952			809,617	90.952
5. 2015 .....	966,781	783,738	19,985	2.550	803,723	83.134	77,552	2,050	883,325	91.368

12 Title XIX-Medicaid

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

**Other**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....					
4. 2013 .....					
5. 2014 .....			X X X		
6. 2015 .....	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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....					
4. 2013 .....					
5. 2014 .....			X X X		
6. 2015 .....	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. 2011 .....										
2. 2012 .....										
3. 2013 .....										
4. 2014 .....										
5. 2015 .....										

12 Other

**NONE**

**NONE**

**NONE**



## UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income) .....	81,016,354							81,016,354	
5. Aggregate write-ins for other policy reserves .....	19,317,680	19,317,680							
6. TOTALS (Gross) .....	100,334,034	19,317,680						81,016,354	
7. Reinsurance ceded .....									
8. TOTALS (Net) (Page 3, Line 4) .....	100,334,034	19,317,680						81,016,354	
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. TOTALS (Gross) .....									
13. Reinsurance ceded .....									
14. TOTALS (Net) (Page 3, Line 7) .....									
<b>DETAILS OF WRITE-INS</b>									
0501. Risk Adjustment Liability .....	19,317,680	19,317,680							
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	19,317,680	19,317,680							
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) .....									

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building) .....	303,668	221,794	1,614,319		2,139,781
2. Salaries, wages and other benefits .....	7,732,184	5,528,386	25,687,005		38,947,574
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....					
4. Legal fees and expenses .....	20,927	15,285	111,252		147,464
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....	1,273,010	929,787	6,767,410		8,970,207
7. Traveling expenses .....	13,384	9,775	71,148		94,307
8. Marketing and advertising .....	267,555	195,418	1,422,343		1,885,316
9. Postage, express and telephone .....	61,736	45,091	328,191		435,018
10. Printing and office supplies .....	302,593	221,009	1,608,606		2,132,208
11. Occupancy, depreciation and amortization .....	70,299	51,346	373,716		495,361
12. Equipment .....	250,989	183,319	1,334,276		1,768,584
13. Cost or depreciation of EDP equipment and software .....	496,847	362,890	2,641,275		3,501,012
14. Outsourced services including EDP, claims, and other services .....	2,122,553	1,550,281	11,283,646		14,956,480
15. Boards, bureaus and association fees .....	15,686	11,456	83,385		110,527
16. Insurance, except on real estate .....	74,996	54,776	398,684		528,456
17. Collection and bank service charges .....	5,127	3,745	27,258		36,130
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 .....			2,000,000		2,000,000
23.2 State premium taxes .....			20,652,160		20,652,160
23.3 Regulatory authority licenses and fees .....	52,995	38,707	281,727		373,429
23.4 Payroll taxes .....	652,919	190,129	1,636,702		2,479,750
23.5 Other (excluding federal income and real estate taxes) .....					
24. Investment expenses not included elsewhere .....				653,790	653,790
25. Aggregate write-ins for expenses .....		64,485	557,630		622,115
26. TOTAL Expenses Incurred (Lines 1 to 25) .....	13,717,468	9,677,679	78,880,733	653,790	(a) 102,929,670
27. Less expenses unpaid December 31, current year .....		2,204,795	12,274,306		14,479,101
28. Add expenses unpaid December 31, prior year .....		2,093,287	8,313,078		10,406,365
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) .....	13,717,468	9,566,171	74,919,505	653,790	98,856,934
<b>DETAILS OF WRITE-INS</b>					
2501. Conferences, Training, and Tuition .....		34,353	297,067		331,420
2502. Recruitment Fees .....		11,725	101,390		113,115
2503. Meeting .....		18,407	159,173		177,580
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....		64,485	557,630		622,115

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

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 545,590	497,051
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 853,498	889,852
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) 96,277	91,093
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	1,495,364	1,477,997
11. Investment expenses		(g) 653,790
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 32,294
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)		686,084
17. Net Investment income (Line 10 minus Line 16)		791,913

**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 \$ 66,807 accrual of discount less \$ 1,064,547 amortization of premium and less \$ 178,225 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 \$ 1,620 accrual of discount less \$ 99,698 amortization of premium and less \$ 30,689 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 \$ 32,294 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	182,517		182,517	(68,354)	
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(40,492)		(40,492)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	3,014		3,014		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	145,039		145,039	(68,354)	

**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 and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....		25,542	25,542
21. Furniture and equipment, including health care delivery assets .....	787,638	562,724	(224,914)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....	1,322,607	1,779,765	457,158
25. Aggregate write-ins for other than invested assets .....	1,392,912	1,068,568	(324,344)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	3,503,157	3,436,599	(66,558)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	3,503,157	3,436,599	(66,558)
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501. Other Receivables .....	5,835	152,949	147,114
2502. Prepaid Expenses .....	1,064,586	461,950	(602,636)
2503. Leasehold Improvements .....		362,165	362,165
2598. Summary of remaining write-ins for Line 25 from overflow page .....	322,491	91,504	(230,987)
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,392,912	1,068,568	(324,344)

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

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	147,699	168,666	174,284	178,066	178,418	2,068,756
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 .....	147,699	168,666	174,284	178,066	178,418	2,068,756
<b>DETAILS OF WRITE-INS</b>						
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) .....						

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements of Neighborhood Health Plan of Rhode Island (the “Company” or “Neighborhood”) have been prepared in conformity with accounting practices prescribed or permitted by the state of Rhode Island for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Rhode Island Insurance law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Rhode Island.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Rhode Island is shown below:

		<u>State of Domicile</u>	2015	2014
<b><u>NET INCOME</u></b>				
(1)	State basis (Page 4, Line 32, Columns 2 & 3)	RI	28,575,651	21,131,634
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:			
(201)				
(299)	Total		0	0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:			
(301)				
(399)	Total		0	0
(4)	NAIC SAP (1-2-3=4)		28,575,651	21,131,634
<b><u>SURPLUS</u></b>				
(5)	State basis (Page 3, Line 33, Columns 3 & 4)	RI	85,556,048	58,115,309
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:			
(601)				
(699)	Total		0	0
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:			
(701)				
(799)	Total		0	0
(8)	NAIC SAP (5-6-7=8)		85,556,048	58,115,309

#### B. Use of Estimates in the Preparation of the Financial Statements.

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policy

Health capitation premiums are recognized in the period members are entitled to related health care services. Health care service costs and the related liabilities for claims payable are recorded when medical services are authorized, as well as when services are provided without authorization to the extent such services are expected to be ultimately authorized. Expenses are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the scientific interest method.
- (3) The Company had no common stock.

## Notes to Financial Statements

(4) The Company had no preferred stock.

(5) The Company had no mortgage loans.

(6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value.

(7) The Company had no investments in parent, subsidiary or affiliates.

(8) The Company had no investments in joint ventures, partnership, and limited liability companies based on the underlying GAAP equity of the investee.

(9) The Company had no derivatives.

(10) The Company does utilize anticipated investment income as a factor in the premium deficiency calculation.

(11) Unpaid losses and loss adjustment expenses include amounts determined from claims estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company's capitalization policy has not changed.

(13) The Company's pharmaceutical rebate receivables are estimated based on a historical percentage of gross pharmaceutical claims methodology.

D. Going Concern

None

### 2. Accounting Changes and Corrections of Errors

None

### 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

A. Discontinued Operation Disposed of or Classified as Health for Sale – None

B. Change in Plan of Sale of Discontinued Operation – None

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal – None

D. Equity Interest Retained in Discontinued Operation After Disposal - None

### 5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - None

B. Debt Restructuring - None

C. Reverse Mortgages - None

D. Loan-Backed Securities - None

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

F. Real Estate – None

G. Low-income housing tax credits (LIHTC) – None

## Notes to Financial Statements

## H. Restricted Assets –

## (1) Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6
	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	\$ .....	\$ .....	\$ .....	\$ .....	.....%	.....%
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– excluding FHLB capital stock	.....	.....	.....	.....	.....	.....
i. FHLB capital stock	.....	.....	.....	.....	.....	.....
j. On deposit with states	\$81,146,212	\$78,050,264	\$3,095,948	\$81,146,212	21.76%	21.96%
k. On deposit with other regulatory bodies	.....	.....	.....	.....	.....	.....
l. Pledged as collateral to FHLB (including assets backing funding agreements)	.....	.....	.....	.....	.....	.....
m. Pledged as collateral not captured in other categories	.....	.....	.....	.....	.....	.....
n. Other restricted assets	.....	.....	.....	.....	.....	.....
o. Total Restricted Assets	\$81,146,212	\$78,050,264	\$3,095,948	\$81,146,212	21.76%	21.96%

## (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

## (3) Detail of Other Restricted Assets – None

## I. Working Capital Finance Investments – None

## J. Offsetting and Netting of Assets and Liabilities – None



## Notes to Financial Statements

## K. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage Referenced Security (Yes/No)
912810FR4	643,726	614,950	641,111	NO
912810FR4	121,821	116,381	121,332	NO
912810FS2	69,035	66,665	68,836	NO
912810FS2	367,244	354,658	366,187	NO
912828B25	1,199,214	1,175,718	1,207,618	NO
912828B25	240,838	232,116	240,830	NO
912828C99	296,048	290,880	295,120	NO
912828C99	1,556,354	1,534,190	1,555,934	NO
912828FL9	189,011	178,323	179,308	NO
912828FL9	35,529	33,510	33,684	NO
912828GX2	39,473	37,166	37,604	NO
912828GX2	224,497	211,006	213,688	NO
912828H45	203,283	191,940	203,753	NO
912828H45	1,060,337	1,000,967	1,062,772	NO
912828HN3	64,078	60,934	62,098	NO
912828HN3	321,147	308,183	313,303	NO
912828JE1	79,314	77,724	79,190	NO
912828JE1	419,900	411,480	419,242	NO
912828JX9	40,308	39,892	40,082	NO
912828JX9	216,954	214,714	215,736	NO
912828K33	124,833	122,488	126,113	NO
912828K33	652,815	640,552	659,508	NO
912828LA6	144,658	137,182	140,432	NO
912828LA6	763,069	714,290	733,322	NO
912828MF4	36,027	34,356	35,338	NO
912828MF4	194,503	190,103	192,865	NO
912828NM8	101,151	96,552	99,440	NO
912828NM8	555,826	527,058	544,902	NO
912828PP9	157,980	151,578	156,038	NO
912828PP9	830,573	811,784	827,374	NO
912828QV5	803,284	790,403	811,196	NO
912828QV5	155,922	149,996	155,114	NO
912828SA9	1,598,676	1,555,805	1,622,046	NO
912828SA9	301,893	292,797	303,428	NO
912828SQ4	272,304	264,385	269,037	NO
912828SQ4	1,436,837	1,395,075	1,422,819	NO
912828TE0	222,525	215,946	223,639	NO
912828TE0	1,205,330	1,142,003	1,215,152	NO
912828UH1	175,824	170,160	177,045	NO
912828UH1	935,897	900,263	950,880	NO
912828UX6	378,266	367,988	375,648	NO
912828UX6	1,992,400	1,958,149	1,995,037	NO
912828VM9	240,583	231,954	241,236	NO
912828VM9	1,227,111	1,224,755	1,249,566	NO
912828WU0	1,027,789	998,744	1,029,187	NO
912828WU0	192,938	187,741	193,214	NO
912828XL9	124,633	121,991	124,629	NO
912828XL9	661,732	647,712	661,713	NO
	23,903,488	23,193,208	23,893,345	XXX

## Notes to Financial Statements

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

- A. The Company does not have any Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets.
- B. The Company does not have any impaired Joint Ventures, Partnerships and Limited Liability Companies.

### 7. Investment Income

- A. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.
- B. The Company had no investment income due and accrued excluded from surplus.

### 8. Derivative Instruments

None

### 9. Income Taxes

None

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

A, B, C & D

A Neighborhood bylaw includes certain Rhode Island Community Health Centers to be "Members of the Corporation" so long as specific criteria continue to be met, which includes having in effect with Neighborhood a contract to provide health care services for Neighborhood's enrollees in exchange for payment. Contracts entered into by and between Neighborhood and the Members of the Corporation provide for capitation-based reimbursement to manage and deliver primary care medical services and fee-for-service based reimbursement to deliver other medical services. For the years ended December 31, 2014 and 2015, medical and hospital expenses included \$26,967,765 and \$29,142,061, respectively, for medical services provided, and incentive arrangements earned, by such Members of the Corporation. At December 31, 2014 and 2015 accrued incentives in the amount of \$3,735,250 and \$1,779,863 were due to members of the Corporation.

- E. Guarantees - None.
- F. Material management contracts – None.
- G. Common Control – None.
- H. Deductions in Value – There have been no deductions in value between affiliated companies.
- I. SCA that exceed 10% of Admitted Assets – None.
- J. Impaired SCAs – None.
- K. Foreign Subsidiary – None
- L. Downstream Noninsurance Holding Company – None
- M. Non-Insurance SCA Investments - None
- N. Investment in Insurance SCA – None.

### 11. Debt

- A. Debt – None
- B. FHLB (Federal Home Loan Bank) Agreements – None

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

- A. Defined Benefit Plan - None
- B. Investment Policies and Strategies – None

## Notes to Financial Statements

- C. Plan Assets – None
- D. Long-term Rate-of-return-on-assets Assumption - None
- E. Defined Contribution Plans - Neighborhood sponsors a Safe Harbor 401(k) Profit Sharing Plan and Trust (the Plan) covering employees meeting certain age and length of service requirements. Neighborhood matches one hundred percent of the first three percent of a participant's eligible compensation and fifty percent of the next two percent of a participant's eligible compensation contribution. Employer contributions to the Plan included in administrative expenses, totaled \$716,672 and \$902,744 for the years ended December 31, 2014 and 2015, respectively. At December 31, 2015, the fair value of plan assets was \$17,148,007.
- F. Multi-Employer Plan – None
- G. Consolidated/Holding Company Plans – None
- H. Post-Employment Benefits and Compensated Absences – None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

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

- (1) The Company has no common stock issued or outstanding.
- (2) The Company has no preferred stock issued or outstanding.
- (3) No dividends can be issued since the Company is not a stock company.
- (4) None.
- (5) None.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.
- (7) The Company has no advances to surplus not repaid.
- (8) The Company held no stock.
- (9) There were no changes to the balances of any special surplus funds from the prior year.
- (10) Portion of unassigned funds represented or reduced by unrealized gains or losses is \$311,574.
- (11) On January 1, 2001, Neighborhood issued to Rhode Island Community Foundation a surplus note in the principal amount of \$2,000,000. The surplus note bears interest at 5.75% per annum, payable quarterly, requires principal payments of \$500,000 every five years commencing January 1, 2007, and matures January 1, 2021. Interest payments may be made upon Neighborhood meeting certain pre-established quarterly financial benchmarks. Otherwise, a written permission of DBR is required. Principal payments require prior written approval of DBR. During 2014, interests of \$71,993 and principal of \$0 were paid, respectively. Total interests of \$1,283,236 and principal of \$2,000,000 have been paid since 2001. On July 7, 2015 the Company paid back \$1,000,000 principle surplus note to Rhode Island Community Foundation with the permission of Rhode Island Department of Business Regulation.
- (12) and (13) There have been no quasi-reorganizations.

### 14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments - None
- B. Assessments – None.
- C. Gain Contingencies – None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – None
- E. Joint and Several Liabilities – None
- F. All Other Contingencies – None

### 15. Leases

- A. Lessee Operating Lease –

## Notes to Financial Statements

(1) On July 16, 2003, Neighborhood entered into a 10 year operating lease agreement with Foundry Parcel Six Associates, LLC to lease approximately 44,328 sq feet of office space. On August 23, 2005, both parties entered into an agreement to amend that lease to include an additional 6,100 sq feet of office space. Construction, and occupation, of the expanded space was completed in March 2006. The termination date of the amended lease, July 2013, is the same as the original lease (the 2003 lease.)

In September 2007, Neighborhood entered into a second operating lease with Foundry Parcel Six Associates, LLC to lease an additional 10,612 sq feet of office space. Construction, and occupation, was completed in June 2008. The lease term is from July 2008 to July 2013 (the 2007 lease.)

On December 31, 2010 Neighborhood and Foundry Parcel Six Associates, LLC entered into an agreement to amend each of the two existing leases (the 2003 and 2007 leases above) extending the terms and conditions of the leases an additional three (3) years and five (5) months through December 31, 2016. On December 31, 2013 Neighborhood and Foundry Parcel Six Associates, LLC entered into an agreement to amend these leases, extending the terms and conditions for an additional four (4) years through December 31, 2020. Neighborhood has the option to extend both leases for one (1) additional five (5) year term.

On August 1, 2012 Neighborhood and Foundry Parcel Five Associates, LLC entered into an agreement to lease approximately 6,938 sq. feet of office space. Construction and occupancy was completed in December 2012. The lease term is from the occupancy date, December 1, 2012 to December 31, 2016 (the 2012 lease.) Neighborhood has the option to extend the lease for one (1) term of five (5) years at the same provisions except for the annual base rent. The base rent will be an agreed upon estimate of fair market value at the time of the exercised option. On December 31, 2013 Neighborhood and Foundry Parcel Five Associates, LLC entered into an agreement to amend this lease (the 2012 lease) extending the terms additional four (4) years through December 31, 2020. The option to extend the lease for one (1) term of five years remains in effect after December 31, 2020.

Included in this amendment is an option for Neighborhood to lease an additional 5,966 sq. feet of office space commencing on July 1, 2014. In February 2014 Neighborhood exercised the option for the additional space. The terms and conditions for the additional space are the same as the December 31, 2013 amendment. On October 31, 2013 Neighborhood entered into a sublease agreement with The Northwestern Mutual Life Insurance Company to sublease approximately 9,250 sq. feet of office space. The term for this sublease is from January 2014 to December 2018. Construction and occupation was completed in February, 2014. There are no options to extend the lease.

December 2015 the Company entered into a lease with Smithfield Office Center LLC to rent out administrative office space through November 2025.

In addition to base rent, Neighborhood pays to Foundry Parcel Six Associates, LLC and Foundry Parcel Five Associates, LLC increases in real estate taxes and operating expenses over the base year amounts, as well as maintenance and insurance costs on all leases and subleases. Neighborhood also pays to Northwestern Mutual Life Insurance Company a square footage percentage of electricity costs based on the total rentable space.

The above operating leases (excluding the sublease) require Neighborhood to pay the lessor security deposits of \$59,465, \$19,898 and \$12,141 on the 2003, 2007 and 2012 leases respectively. The security deposits, together with any and all accrued interest, will be held by the lessor during the term of the leases.

Minimum rent expense related to the leases totaled approximately \$1,642,426 and \$1,882,782 for the years ended December 31, 2014 and 2015 respectively.

At December 31, 2015 the annual minimum future lease payments under all non-cancelable operating leases with Foundry Parcel Six Associates, LLC, and Foundry Parcel Five Associates, LLC, and Northwestern Mutual Life Insurance Company, excluding real estate taxes and operating expenses, are \$21,433,449.

(2) a. At January 1, 2016, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1	2016	2,424,434
2	2017	2,709,008
3	2018	2,732,195
4	2019	2,625,080
5	2020	3,213,275
6	There After	7,729,457
7	Total	21,433,449

b. None

B. Lessor Leases – None

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

None

## Notes to Financial Statements

### 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 – None

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

None

### 20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date - During the year of 2015, Neighborhood did not report any assets or liabilities at fair value by using Level 1, level 2 and level 3 measures after initial recognition. Level 1 measurement is the unadjusted quoted price for identical assets or liabilities in active markets accessible at the measurement date, Level 2 measurement requires significant other observable inputs, and Level 3 requires significant unobservable inputs. Neighborhood's investments, comprised principally of bonds, are recorded at amortized cost.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None

(3) The Company's policy for determining when transfers between levels are recognized is determined at the end of the reporting period.

(4) The valuation techniques and inputs used in the fair value measurement Level 2: The fair value of most securities is priced automatically through Neighborhood's primary pricing vendor: Interactive Data Pricing and Reference Data, Inc., and other industry leading pricing sources like Bloomberg and PricingDirect Inc. In the event an automated price is not available from pricing vendors, other pricing sources, like investment managers and brokers, are used to ensure accurate and timely pricing.

The valuation techniques and inputs used in the fair value measurement Level 3: not applicable.

(5) Derivative assets and liabilities- None

B. Fair Value Information under SSAP No. 100 combined with Fair Value information Under Other Account Pronouncements – None

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$97,462,035	\$98,261,314		\$97,462,035		
Short-term Investments	\$146,961,135	\$146,961,135		\$146,961,135		

D. Not Practicable to Estimate Fair Value – None

### 21. Other Items

- A. Unusual and Infrequent Items – None
- B. Troubled Debt Restructuring – None
- C. Other Disclosures – None
- D. Business Interruption Insurance Recoveries - None
- E. State Transferable and Non-transferable Tax Credits - None

## Notes to Financial Statements

F. Subprime-Mortgage-Related Risk Exposure – None

G. Retained Assets – None

H. Insurance-Linked Securities - None

### 22. Events Subsequent

Type I. – Recognized Subsequent Events

Subsequent events have been considered through February 28, 2016 for the statutory statement issued on December 31, 2015.

None

Type II. – Nonrecognized Subsequent Events

Subsequent events have been considered through February 28, 2016 for the statutory statement issued on December 31, 2015.

On January 1, 2016, the Company will not be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA) due to the percentage of Medicaid business being over 80% of total premiums.

### 23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

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

Yes ( ) No ( x )

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

Yes ( ) No ( x )

Section 2 – Ceded Reinsurance Report – Part A

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

Yes ( ) No ( x )

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

Yes ( ) No ( x )

Section 3 – Ceded Reinsurance Report – Part B – None

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

D. Certified Reinsurer Downgraded or Status Subject to Revocation – None

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

A. The Company has no accrued retrospective rated contracts or contracts subject to redetermination.

B. The Company has no accrued retrospective rated contracts or contracts subject to redetermination.

## Notes to Financial Statements

- C. The Company has no accrued retrospective rated contracts or contracts subject to redetermination.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act - None

		1	2	3	4	5
	Description	Individual	Small Group Employer	Large Group Employer	Other Categories with rebates	Total
Prior Reporting Year						
1.	Medical Loss Ratio Rebates Incurred	\$0	\$0	\$0	\$0	\$0
2.	Medical Loss Ratio Rebates Paid	\$0	\$0	\$0	\$0	\$0
3.	Medical Loss Ratio Rebates Unpaid	\$0	\$0	\$0	\$0	\$0
4.	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$0
5.	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$0
6.	Rebates Unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$0
Current Reporting Year-to-Date						
7.	Medical Loss Ratio Rebates Incurred	\$0	\$0	\$0	\$0	\$0
8.	Medical Loss Ratio Rebates Paid	\$0	\$0	\$0	\$0	\$0
9.	Medical Loss Ratio Rebates Unpaid	\$0	\$0	\$0	\$0	\$0
10.	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$0
11.	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$0
12.	Rebates Unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$0

- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)
- (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? Yes

- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

AMOUNT

a. Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment 0

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment 16,521

3. Premium adjustments payable due to ACA Risk Adjustment 19,317,680

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment (18,258,200)

5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) 16,521

b. Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance 1,080,949

2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) 0

3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance 0

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium

5. Ceded reinsurance premiums payable due to ACA Reinsurance 0

6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance

Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance 553,179

8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments 1,081,499

9. ACA Reinsurance contributions – not reported as ceded premium 194,880

c. Temporary ACA Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors 0

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors 0

Operations (Revenue & Expense)

3. Effect of ACA Risk Corridors on net premium income (paid/received) (215,802)

4. Effect of ACA Risk Corridors on change in reserves for rate credits 0

## Notes to Financial Statements

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 +7)	Cumulative Balance from Prior Years (Col 2 - 4 +8)
	1	2	3	4	5	6	7	8	Ref	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
<b>a. Permanent ACA Risk Adjustment Program</b>											
1. Premium adjustments receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	A	\$0	\$0
2. Premium adjustments (payable)	\$0	\$1,659,010	\$0	\$599,531	\$0	\$1,059,479	\$0	(\$1,059,479)	B	\$0	\$0
3. Subtotal ACA Permanent Risk Adjustment Program	\$0	\$1,659,010	\$0	\$599,531	\$0	\$1,059,479	\$0	(\$1,059,479)		\$0	\$0
<b>b. Transitional ACA Reinsurance Program</b>											
1. Amounts recoverable for claims paid	\$21,602	\$0	\$22,152	\$0	(\$550)	\$0	\$550	\$0	C	(\$0)	\$0
2. Amounts recoverable for claims unpaid (contra liability)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	D	\$0	\$0
3. Amounts receivable relating to uninsured plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	E	\$0	\$0
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	F	\$0	\$0
5. Ceded reinsurance premiums payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	G	\$0	\$0
6. Liability for amounts held under uninsured plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	H	\$0	\$0
7. Subtotal ACA Transitional Reinsurance Program	\$21,602	\$0	\$22,152	\$0	\$43,754	\$0	\$550	\$0		(\$0)	\$0
<b>c. Temporary ACA Risk Corridors Program</b>											
1. Accrued retrospective premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	I	\$0	\$0
2. Reserve for rate credits or policy experience rating refunds	\$0	\$0	\$0	\$215,802	\$0	(\$215,802)	\$0	215,802	J	\$0	\$0
3. Subtotal ACA Risk Corridors Program	\$0	\$0	\$0	\$215,802	\$0	(\$215,802)	\$0	215,802		\$0	\$0
d. Total for ACA Risk Sharing Provisions	\$21,602	\$1,659,010	\$22,152	\$815,333	\$43,754	\$843,677	\$550	(\$843,677)		(\$0)	\$0

Explanations of Adjustments

A
B. Adjusted amount based on notice received from United States Department of Health and Human Services.
C Adjusted amount based on notice received from United States Department of Health and Human Services.
D
E
F
G
H
I
J Adjustment based off of final Risk Corridor Calculation

**25. Changes in Incurred Losses and Loss Adjustment Expenses**

Reserves as of December 31, 2014 were \$82,395,430. As of December 31, 2015, \$73,408,999 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$36 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$8,986,396 favorable prior-year development since December 31, 2014 to December 31, 2015. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

**26. Intercompany Pooling Arrangements**

None

**27. Structured Settlements**

None



## Notes to Financial Statements

### 28. Health Care Receivables

#### A. Pharmaceutical Rebate Receivables

In accordance with NAIC SAP Statement No. 84, the following is a summary of the required disclosures relating to pharmaceutical rebates:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2015	1,050,000				
09/30/2015	801,000	1,209,384			
06/30/2015	801,000	1,129,744		600,300	
03/31/2015	660,000	874,662		489,787	252,790
12/31/2014	473,891	748,677		528,629	186,013
09/30/2014	785,781	656,238		452,455	165,925
06/30/2014	422,465	323,562		323,562	188,421
03/31/2014	396,978	399,610		6,127	404,675
12/31/2013	437,941	362,209		23,220	338,989
09/30/2013	270,000	367,676		45,574	322,123
06/30/2013	180,000	343,923		28,302	315,633
03/31/2013	180,000	254,051		22,616	231,435

Pharmaceutical rebate receivables are estimated based on the past experience and historical trends.

#### B. Risk Sharing Receivables - None

### 29. Participating Policies

None

### 30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$0
2. Date of the most recent evaluation of this liability	<u>12/31/2015</u>
3. Was anticipated investment income utilized in the calculation? (Yes / No)	<u>YES</u>

### 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 [ ] No[X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ ] No [ ] N/A[X]
- 1.3 State Regulating? .....
- 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. ..... 12/31/2013 .....
- 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. ..... 12/31/2013 .....
- 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). ..... 11/21/2014 .....
- 3.4 By what department or departments?  
Rhode Island Department of Business Regulation, Insurance Division
- 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[X] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No[X]
- 4.12 renewals? Yes [ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No[X]
- 4.22 renewals? Yes [ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and 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?  
Ernst & Young, LLP, 200 Charendon Street, Boston, MA 02116
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Jeremy D. Palmer, Principal & Consulting Actuary, Milliman, 111 Monument Circle, Suite 601, Indianapolis, IN 46204

## GENERAL INTERROGATORIES (Continued)

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

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

### BOARD OF DIRECTORS

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

### FINANCIAL

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

### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]  
 24.02 If no, give full and complete information, relating thereto  
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 Not Applicable  
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]  
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ ..... 0  
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ ..... 0  
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]  
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

## GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0
  - 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0
  - 24.103 Total payable for securities lending reported on the liability page. \$ ..... 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is 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 \$ ..... 81,146,212
  - 25.29 On deposit with other regulatory bodies \$ ..... 0
  - 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ ..... 0
  - 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ ..... 0
  - 25.32 Other \$ ..... 0
- 25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]  
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ ..... 0

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

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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Comerica Bank .....	411 West Lafayette, Detroit, MI 48226 .....	Not all provisions related to safeguards and controls were included in Custodial Agreement. ....
RBS Citizens Bank .....	One Citizens Plaza, Providence, RI 02903	Not all provisions related to safeguards and controls were included in Custodial Agreement .....

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
104863 .....	Income Research & Management .....	100 Federal Street, 30th Floor, Boston, MA 02110 .....
	RBS Citizens, N.A. ....	One Citizens Plaza, Providence, RI 02903 .....

- 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:

## GENERAL INTERROGATORIES (Continued)

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

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

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

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

	1  Statement (Admitted) Value	2  Fair Value	3  Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	149,535,197	148,735,918	(799,279)
30.2 Preferred stocks .....			
30.3 Totals .....	149,535,197	148,735,918	(799,279)

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[ ]  
 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[ ] N/A[ ]  
 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[X] No[ ]  
 32.2 If no, list exceptions:

### OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 1,950  
 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
HEDIS .....	1,950

34.1 Amount of payments for legal expenses, if any? \$..... 139,414  
 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
'Chace Ruttenberg & Freedman .....	96,039

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

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

# GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	1,011,374,936	892,603,640
2.2 Premium Denominator .....	1,009,429,239	892,603,640
2.3 Premium Ratio (2.1 / 2.2) .....	1.002	1.000
2.4 Reserve Numerator .....	183,587,478	128,358,031
2.5 Reserve Denominator .....	183,587,478	128,358,031
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
- 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  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  N/A
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes  No
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ ..... 390,000
- 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:  
The Company has hold harmless clause with all contracted providers
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes  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 ..... 3,295
- 8.2 Number of providers at end of reporting year ..... 5,480
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes  No
- 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
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ ..... 1,779,863
- 10.22 Amount actually paid for year bonuses \$ ..... 10,825,841
- 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
- 11.13 An Individual Practice Association (IPA), or, Yes  No
- 11.14 A Mixed Model (combination of above)? Yes  No
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes  No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.  
Rhode Island
- 11.4 If yes, show the amount required. \$ ..... 68,106,626
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes  No
- 11.6 If the amount is calculated, show the calculation.  
200% of Authorized Control Level RBC
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Rhode Island .....

- 13.1 Do you act as a custodian for health savings accounts? Yes  No
- 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
- 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

## GENERAL INTERROGATORIES (Continued)

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

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

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 2015	2 2014	3 2013	4 2012	5 2011
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	369,480,153	251,986,846	134,475,983	149,497,178	155,028,299
2. TOTAL Liabilities (Page 3, Line 24) .....	283,924,104	193,871,536	98,729,173	107,424,860	111,661,009
3. Statutory minimum capital and surplus requirement .....	68,106,626	62,512,730	30,120,474	29,968,606	29,441,720
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	85,556,049	58,115,309	35,746,810	42,072,318	43,367,290
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	1,011,374,936	894,421,716	428,150,247	427,631,246	431,455,607
6. TOTAL Medical and Hospital Expenses (Line 18) .....	881,073,730	796,061,342	382,607,943	381,038,339	377,828,471
7. Claims adjustment expenses (Line 20) .....	23,395,147	18,464,974	11,650,196	11,401,859	9,931,251
8. TOTAL Administrative Expenses (Line 21) .....	78,880,735	59,451,842	41,314,338	33,042,029	31,261,836
9. Net underwriting gain (loss) (Line 24) .....	28,025,324	20,443,558	(3,122,230)	(2,150,981)	12,434,049
10. Net investment gain (loss) (Line 27) .....	936,952	719,765	188,974	2,407,870	1,025,293
11. TOTAL Other Income (Lines 28 plus 29) .....	(386,625)	(31,689)	(861,883)	(933,163)	(2,305,686)
12. Net income or (loss) (Line 32) .....	28,575,651	21,131,634	(3,795,139)	(676,274)	11,153,656
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	114,796,935	111,503,021	(9,221,819)	(5,774,124)	38,260,695
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	85,556,049	58,115,309	35,746,810	42,072,318	43,367,290
15. Authorized control level risk-based capital .....	34,053,313	31,256,365	15,060,237	14,984,303	14,720,860
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	178,418	147,699	99,194	91,201	91,215
17. TOTAL Members Months (Column 6, Line 7) .....	2,068,756	1,662,870	1,110,948	1,099,441	1,084,716
<b>OPERATING PERCENTAGE (Page 4)</b>					
(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) .....	87.3	89.2	89.7	89.5	87.9
20. Cost containment expenses .....	1.4	1.1	1.4	1.8	1.6
21. Other claims adjustment expenses .....	1.0	1.0	1.3	0.9	0.8
22. TOTAL Underwriting Deductions (Line 23) .....	97.4	97.9	101.1	100.9	97.5
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	2.8	2.3	(0.7)	(0.5)	2.9
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	68,698,073	36,237,795	32,713,713	40,749,500	31,324,134
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	77,302,499	38,479,315	35,253,945	41,385,628	32,776,554
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
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::



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

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 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)	L	43,785,880		971,074,695				1,014,860,575	
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	43,785,880		971,074,695				1,014,860,575	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) ... 1	43,785,880		971,074,695				1,014,860,575	
<b>DETAILS OF WRITE-INS</b>									
58001	X X X								
58002	X X X								
58003	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(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.: Premiums were allocated by residence of member.

**39 Schedule T - Part 2 - Interstate Compact - Exhibit of Premiums Written . . . . . NONE**

**40 Schedule Y - Part 1 . . . . . NONE**

**41 Schedule Y - Part 1A . . . . . NONE**

**42 Schedule Y - Part 2 . . . . . NONE**

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