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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015
OF THE CONDITION AND AFFAIRS OF THE

UnitedHealthcare of New England, Inc.

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 95149 Employer's ID Number 05-0413469

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: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 11/14/1984 Commenced Business 12/27/1984

Statutory Home Office 475 Kilvert Street, Suite 310 (Street and Number), Warwick , RI, US 02886-1392 (City or Town, State, Country and Zip Code)

Main Administrative Office 4 Research Drive, 5th Floor (Street and Number)
Shelton , CT, US 06484 (City or Town, State, Country and Zip Code), 203-447-4444 (Area Code) (Telephone Number)

Mail Address 4 Research Drive, 5th Floor (Street and Number or P.O. Box), Shelton , CT, US 06484 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 4 Research Drive, 5th Floor (Street and Number)
Shelton , CT, US 06484 (City or Town, State, Country and Zip Code), 203-447-4444 (Area Code) (Telephone Number)

Internet Website Address www.unitedhealthcare.com

Statutory Statement Contact Joseph James Dewey (Name), 203-447-4444 (Area Code) (Telephone Number)
joseph_j_dewey@uhc.com (E-mail Address), 203-447-4451 (FAX Number)

OFFICERS

President	Stephen John Farrell	Treasurer	Robert Worth Oberrender
Secretary	Christina Regina Palme-Krizak	Chief Financial Officer	Timothy John Noel

OTHER

Patrice Evelyn Cooper, Vice President, Medicaid Operations	Nyle Brent Cottington, Vice President	Michelle Marie Huntley, Assistant Secretary
Dennis Patrick O'Brien, Chief Executive Officer		

DIRECTORS OR TRUSTEES

Patrice Evelyn Cooper	Stephen John Farrell	Dennis Patrick O'Brien

State of Rhode Island	State of	State of
County of Kent	County of	County of

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

Stephen John Farrell President	Christina Regina Palme-Krizak Secretary	

Subscribed and sworn to before me this 25th day of January 2016	Subscribed and sworn to before me this 22 day of Jan 2016	Subscribed and sworn to before me this ____ day of ____
Claudette I. Levesque	Deborah Lynette Gambell	

DEBOROAH LYNETTE GAMBELL
Notary Public
State of Minnesota
My Commission Expires
January 31, 2020

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

CLAUDETTE I. LEVESQUE
Notary Public
State of Rhode Island
My Comm. Expires May 14, 2019

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)	203,825,011		203,825,011	182,191,789
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	0		0	0
	2.2 Common stocks	110,367,088		110,367,088	77,913,314
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
	4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ (418,762) , Schedule E - Part 1), cash equivalents ($ 0 , Schedule E - Part 2) and short-term investments ($ 383,965 , Schedule DA)	(34,797)		(34,797)	9,385,881
6.	Contract loans, (including $ .... premium notes)			0	0
7.	Derivatives (Schedule DB)			0	0
8.	Other invested assets (Schedule BA)			0	0
9.	Receivables for securities	0		0	0
10.	Securities lending reinvested collateral assets (Schedule DL)			0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	314,157,302	0	314,157,302	269,490,984
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	1,230,553		1,230,553	1,256,048
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	4,143,036	1,229,950	2,913,086	5,627,047
	15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ 10,076,238)	10,014,790	14	10,014,776	34,974
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	1,587,284		1,587,284	1,001,326
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts	305,312		305,312	116,450
17.	Amounts receivable relating to uninsured plans	5,702,614	16,469	5,686,145	6,916,738
18.1	Current federal and foreign income tax recoverable and interest thereon	2,262,275		2,262,275	0
18.2	Net deferred tax asset	4,209,601		4,209,601	3,468,545
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($ ....)			0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates	343,207		343,207	10,599,745
24.	Health care ($ 21,169,778) and other amounts receivable	23,472,969	2,303,191	21,169,778	16,420,553
25.	Aggregate write-ins for other than invested assets	46,611	46,611	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	367,475,554	3,596,235	363,879,319	314,932,410
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	367,475,554	3,596,235	363,879,319	314,932,410
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	Prepaid Expenses	46,611	46,611	0	0
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	46,611	46,611	0	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Year 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1.	Claims unpaid (less $ 2,027,605 reinsurance ceded)	129,935,656		129,935,656	105,436,641
2.	Accrued medical incentive pool and bonus amounts	2,829,847		2,829,847	1,963,658
3.	Unpaid claims adjustment expenses	800,248		800,248	651,048
4.	Aggregate health policy reserves, including the liability of $ 4,794,643 for medical loss ratio rebate per the Public Health Service Act	11,308,488		11,308,488	36,746
5.	Aggregate life policy reserves			0	0
6.	Property/casualty unearned premium reserves			0	0
7.	Aggregate health claim reserves	285,608		285,608	286,387
8.	Premiums received in advance	40,909,457		40,909,457	34,476,700
9.	General expenses due or accrued	4,270,236		4,270,236	5,073,609
10.1	Current federal and foreign income tax payable and interest thereon (including $ 0 on realized capital gains (losses))	0		0	4,341,400
10.2	Net deferred tax liability	0		0	0
11.	Ceded reinsurance premiums payable	33,418		33,418	1,261,950
12.	Amounts withheld or retained for the account of others	176,900		176,900	186,500
13.	Remittances and items not allocated	26,607		26,607	19,208
14.	Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15.	Amounts due to parent, subsidiaries and affiliates	0		0	0
16.	Derivatives			0	0
17.	Payable for securities	537,521		537,521	0
18.	Payable for securities lending			0	0
19.	Funds held under reinsurance treaties (with $ authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)			0	0
20.	Reinsurance in unauthorized and certified ($) companies			0	0
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22.	Liability for amounts held under uninsured plans	602,361		602,361	306,453
23.	Aggregate write-ins for other liabilities (including $ 25,010,794 current)	25,010,794	0	25,010,794	149,525
24.	Total liabilities (Lines 1 to 23)	216,727,141	0	216,727,141	154,189,824
25.	Aggregate write-ins for special surplus funds	XXX	XXX	14,047,612	13,502,520
26.	Common capital stock	XXX	XXX	5,862,835	5,862,835
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	12,000,000	12,000,000
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	115,241,731	129,377,231
32.	Less treasury stock, at cost:				
	32.1 shares common (value included in Line 26 $)	XXX	XXX		
	32.2 shares preferred (value included in Line 27 $)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	147,152,178	160,742,586
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	363,879,319	314,932,410
	DETAILS OF WRITE-INS				
2301.	Dividend Declared	25,000,000		25,000,000	0
2302.	Unclaimed Property	10,794		10,794	3,597
2303.	Part D RAF Payable			0	145,928
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	25,010,794	0	25,010,794	149,525
2501.	Section 9010 ACA Subsequent Fee Year Assessment	XXX	XXX	14,047,612	13,502,520
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	14,047,612	13,502,520
3001.		XXX	XXX		
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	XXX	1,337,201	1,124,016
2.	Net premium income (including $ non-health premium income)	XXX	775,873,818	690,879,189
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(7,366,065)	594,891
4.	Fee-for-service (net of $ medical expenses)	XXX	0	
5.	Risk revenue	XXX	0	
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	768,507,753	691,474,080
	Hospital and Medical:			
9.	Hospital/medical benefits		547,783,997	495,624,076
10.	Other professional services		1,281,888	2,391,895
11.	Outside referrals		0	
12.	Emergency room and out-of-area		0	
13.	Prescription drugs		98,271,457	81,045,640
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		4,589,649	2,504,701
16.	Subtotal (Lines 9 to 15)	0	651,926,991	581,566,312
	Less:			
17.	Net reinsurance recoveries		15,153,673	12,357,698
18.	Total hospital and medical (Lines 16 minus 17)	0	636,773,318	569,208,614
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ 17,599,807 cost containment expenses		33,925,904	24,246,067
21.	General administrative expenses		53,702,329	45,849,999
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		0	(2,904,011)
23.	Total underwriting deductions (Lines 18 through 22)	0	724,401,551	636,400,668
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	44,106,202	55,073,412
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		4,336,627	4,308,159
26.	Net realized capital gains (losses) less capital gains tax of $ 480,869		856,397	293,426
27.	Net investment gains (losses) (Lines 25 plus 26)	0	5,193,024	4,601,585
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ 31,038) (amount charged off $ 259,363)]		(228,325)	(66,768)
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	49,070,901	59,608,229
31.	Federal and foreign income taxes incurred	XXX	21,555,852	22,935,812
32.	Net income (loss) (Lines 30 minus 31)	XXX	27,515,049	36,672,417
	DETAILS OF WRITE-INS			
0601.		XXX		
0602.		XXX		
0603		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.		XXX		
0702.		XXX		
0703		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.				
2902.				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	160,742,586	124,491,837
34.	Net income or (loss) from Line 32	27,515,049	36,672,417
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	741,056	(295,196)
39.	Change in nonadmitted assets	(846,513)	(126,471)
40	Change in unauthorized and certified reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in	0	0
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders	(16,000,000)	
47.	Aggregate write-ins for gains or (losses) in surplus	(25,000,000)	0
48.	Net change in capital and surplus (Lines 34 to 47)	(13,590,408)	36,250,750
49.	Capital and surplus end of reporting period (Line 33 plus 48)	147,152,178	160,742,586
	DETAILS OF WRITE-INS		
4701.	Dividend Declared	(25,000,000)	0
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	(25,000,000)	0

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	776,387,041	700,987,339
2.	Net investment income	5,335,179	5,486,458
3.	Miscellaneous income	0	0
4.	Total (Lines 1 through 3)	781,722,220	706,473,797
5.	Benefit and loss related payments	616,418,868	534,942,633
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	87,150,436	65,661,114
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	28,640,396	18,795,578
10.	Total (Lines 5 through 9)	732,209,700	619,399,326
11.	Net cash from operations (Line 4 minus Line 10)	49,512,520	87,074,471
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	63,270,103	57,036,941
	12.2 Stocks	781,122,215	633,360,613
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(1,244)	0
	12.7 Miscellaneous proceeds	537,521	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	844,928,595	690,397,554
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	84,542,590	57,374,235
	13.2 Stocks	813,575,988	702,025,278
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	0	1,034,146
	13.7 Total investments acquired (Lines 13.1 to 13.6)	898,118,578	760,433,659
14.	Net increase (decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(53,189,983)	(70,036,105)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	0
	16.3 Borrowed funds	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	16,000,000	0
	16.6 Other cash provided (applied)	10,256,785	(12,962,216)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(5,743,215)	(12,962,216)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(9,420,677)	4,076,150
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	9,385,881	5,309,731
	19.2 End of year (Line 18 plus Line 19.1)	(34,797)	9,385,881

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	775,873,818	9,010,040					259,795,570	507,232,326	(164,118)	
2. Change in unearned premium reserves and reserve for rate credit	(7,366,065)	(817,112)					(6,548,953)	0	0	
3. Fee-for-service (net of $ ...... medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	768,507,753	8,192,928	0	0	0	0	253,246,617	507,232,326	(164,118)	0
8. Hospital/medical benefits	547,783,997	14,878,056					183,907,756	348,998,185	0	XXX
9. Other professional services	1,281,888	154,917					1,126,971	0	0	XXX
10. Outside referrals	0	0					0			XXX
11. Emergency room and out-of-area	0	0					0	0		XXX
12. Prescription drugs	98,271,457	2,916,347					9,387,326	87,311,262	(1,343,478)	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	4,589,649	141,821					4,260,591	187,237	0	XXX
15. Subtotal (Lines 8 to 14)	651,926,991	18,091,141	0	0	0	0	198,682,644	436,496,684	(1,343,478)	XXX
16. Net reinsurance recoveries	15,153,673	11,260,936					3,529,259	363,478	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	636,773,318	6,830,205	0	0	0	0	195,153,385	436,133,206	(1,343,478)	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ 17,599,807 cost containment expenses	33,925,904	1,263,303					12,772,160	19,890,441		
20. General administrative expenses	53,702,329	1,172,180					22,329,694	30,225,836	(25,381)	
21. Increase in reserves for accident and health contracts	0	0					0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	724,401,551	9,265,688	0	0	0	0	230,255,239	486,249,483	(1,368,859)	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	44,106,202	(1,072,760)	0	0	0	0	22,991,378	20,982,843	1,204,741	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	22,714,246		13,704,206	9,010,040
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	263,376,802		3,581,232	259,795,570
7. Title XIX - Medicaid	508,358,486		1,126,160	507,232,326
8. Other health	(164,283)		(164)	(164,119)
9. Health subtotal (Lines 1 through 8)	794,285,251	0	18,411,434	775,873,817
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	794,285,251	0	18,411,434	775,873,817

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	627,375,638	17,214,034					193,059,628	418,440,131	(1,338,155)	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	14,595,138	10,378,093					3,858,405	358,640		
1.4 Net	612,780,500	6,835,941	0	0	0	0	189,201,223	418,081,491	(1,338,155)	0
2. Paid medical incentive pools and bonuses	3,638,367	9,473					3,364,428	264,466		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	131,963,261	2,397,165	0	0	0	0	28,124,080	101,442,016	0	0
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	2,027,606	1,047,047	0	0	0	0	535,461	445,098	0	0
3.4 Net	129,935,655	1,350,118	0	0	0	0	27,588,619	100,996,918	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	320,830	49,636					45,278	225,916		
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	35,221	31,202					4,019			
4.4 Net	285,609	18,434	0	0	0	0	41,259	225,916	0	0
5. Accrued medical incentive pools and bonuses, current year	2,829,847	67,331					2,762,517	(1)		
6. Net healthcare receivables (a)	4,424,017	271,476					379,529	3,773,012		
7. Amounts recoverable from reinsurers December 31, current year	1,587,283	1,207,052					360,492	19,739		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	107,588,688	1,411,287	0	0	0	0	26,383,414	79,788,663	5,324	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	2,152,046	776,534	0	0	0	0	915,512	460,000	0	0
8.4 Net	105,436,642	634,753	0	0	0	0	25,467,902	79,328,663	5,324	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	309,683	28,751					43,990	236,942		
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	23,296	17,616					5,680			
9.4 Net	286,387	11,135	0	0	0	0	38,310	236,942	0	0
10. Accrued medical incentive pools and bonuses, prior year	1,963,658	20,076					1,866,354	77,228		
11. Amounts recoverable from reinsurers December 31, prior year	1,001,326	693,400					307,926			
12. Incurred Benefits:										
12.1 Direct	647,337,341	17,949,321	0	0	0	0	194,422,053	436,309,446	(1,343,479)	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	15,068,580	11,175,844	0	0	0	0	3,529,259	363,477	0	0
12.4 Net	632,268,761	6,773,477	0	0	0	0	190,892,794	435,945,969	(1,343,479)	0
13. Incurred medical incentive pools and bonuses	4,504,556	56,728	0	0	0	0	4,260,591	187,237	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	82,151,106	811,885					8,281,114	73,058,107		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	710,822	232,598					157,666	320,558		
1.4 Net	81,440,284	579,287	0	0	0	0	8,123,448	72,737,549	0	0
2. Incurred but Unreported:										
2.1 Direct	49,808,066	1,581,191					19,842,966	28,383,909		
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	1,316,784	814,449					377,795	124,540		
2.4 Net	48,491,282	766,742	0	0	0	0	19,465,171	28,259,369	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	4,089	4,089								
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	4,089	4,089	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	131,963,261	2,397,165	0	0	0	0	28,124,080	101,442,016	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	2,027,606	1,047,047	0	0	0	0	535,461	445,098	0	0
4.4 Net	129,935,655	1,350,118	0	0	0	0	27,588,619	100,996,918	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
Line of Business	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	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)	315,520	6,006,768	12,724	1,355,827	328,244	645,886
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	17,239,632	171,909,026	794,701	26,835,177	18,034,333	25,506,213
7 Title XIX - Medicaid	46,344,702	371,717,050	21,349,222	79,873,611	67,693,924	79,565,605
8. Other health	(1,338,155)				(1,338,155)	5,324
9. Health subtotal (Lines 1 to 8)	62,561,699	549,632,844	22,156,647	108,064,615	84,718,346	105,723,028
10. Healthcare receivables (a)	4,098,322	18,721,983		652,664	4,098,322	19,048,952
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	3,156,543	481,824	68,939	2,760,908	3,225,482	1,963,657
13. Totals (Lines 9 - 10 + 11 + 12)	61,619,920	531,392,685	22,225,586	110,172,859	83,845,506	88,637,733

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	(727)	(757)	(613)	(614)	(574)
2. 2011	13,955	13,078	13,066	13,066	13,067
3. 2012	XXX	5,435	4,848	4,849	4,850
4. 2013	XXX	XXX	4,126	3,907	3,865
5. 2014	XXX	XXX	XXX	4,308	3,932
6. 2015	XXX	XXX	XXX	XXX	7,223

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

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	(585)	(757)	(613)	(614)	(574)
2. 2011	14,920	12,842	13,066	13,066	13,067
3. 2012	XXX	6,094	4,880	4,849	4,850
4. 2013	XXX	XXX	4,587	3,941	3,865
5. 2014	XXX	XXX	XXX	4,941	3,958
6. 2015	XXX	XXX	XXX	XXX	8,633

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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	42,560	13,067	8	0.1	13,075	30.7			13,075	30.7
2. 2012	6,474	4,850	15	0.3	4,865	75.1			4,865	75.1
3. 2013	4,257	3,865	104	2.7	3,969	93.2			3,969	93.2
4. 2014	4,683	3,932	479	12.2	4,411	94.2	26		4,437	94.7
5. 2015	8,192	7,223	1,126	15.6	8,349	101.9	1,410	18	9,777	119.3

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	16,877	16,288	16,304	16,304	16,117
2. 2011	152,935	171,775	171,408	171,408	171,272
3. 2012	XXX	241,576	272,650	272,650	272,085
4. 2013	XXX	XXX	269,560	295,544	296,170
5. 2014	XXX	XXX	XXX	159,671	179,942
6. 2015	XXX	XXX	XXX	XXX	172,558

Section B - Incurred Health Claims - Title XVIII

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	17,345	16,288	16,304	16,304	16,117
2. 2011	177,794	172,441	171,408	171,408	171,272
3. 2012	XXX	282,353	273,801	272,650	272,085
4. 2013	XXX	XXX	312,711	297,238	296,170
5. 2014	XXX	XXX	XXX	185,349	180,769
6. 2015	XXX	XXX	XXX	XXX	202,123

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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	200,170	171,272	778	0.5	172,050	86.0			172,050	86.0
2. 2012	313,173	272,085	2,403	0.9	274,488	87.6			274,488	87.6
3. 2013	326,151	296,170	8,511	2.9	304,681	93.4			304,681	93.4
4. 2014	228,778	179,942	9,711	5.4	189,653	82.9	827	9	190,489	83.3
5. 2015	253,246	172,558	10,902	6.3	183,460	72.4	29,565	310	213,335	84.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	14,460	13,448	12,911	12,911	12,522
2. 2011	190,883	213,340	213,605	213,605	213,171
3. 2012	XXX	201,907	219,816	219,816	219,552
4. 2013	XXX	XXX	215,339	230,492	230,852
5. 2014	XXX	XXX	XXX	328,737	375,898
6. 2015	XXX	XXX	XXX	XXX	371,912

Section B - Incurred Health Claims - Title XIX

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	16,892	13,448	12,911	12,911	12,522
2. 2011	218,661	219,380	213,605	213,605	213,171
3. 2012	XXX	229,567	222,322	219,816	219,552
4. 2013	XXX	XXX	238,709	231,385	230,852
5. 2014	XXX	XXX	XXX	407,486	397,270
6. 2015	XXX	XXX	XXX	XXX	451,762

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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	243,455	213,171	861	0.4	214,032	87.9			214,032	87.9
2. 2012	250,599	219,552	1,870	0.9	221,422	88.4			221,422	88.4
3. 2013	255,936	230,852	7,516	3.3	238,368	93.1			238,368	93.1
4. 2014	457,848	375,898	15,848	4.2	391,746	85.6	21,373	98	413,217	90.3
5. 2015	507,232	371,912	16,941	4.6	388,853	76.7	79,850	365	469,068	92.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	0	0	0	0	
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX	1,309	(29)
6. 2015	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Other

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	0	0	0	0	
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX	1,314	(29)
6. 2015	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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				0.0	0	0.0			0	0.0
2. 2012				0.0	0	0.0			0	0.0
3. 2013				0.0	0	0.0			0	0.0
4. 2014	164			0.0	0	0.0			0	0.0
5. 2015	(164)			0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

	Cumulative Net Amounts Paid				
Year in Which Losses Were Incurred	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	30,610	28,979	28,602	28,601	28,065
2. 2011	357,773	398,193	398,079	398,079	397,510
3. 2012	XXX	448,918	497,314	497,315	496,487
4. 2013	XXX	XXX	489,025	529,943	530,887
5. 2014	XXX	XXX	XXX	494,025	559,743
6. 2015	XXX	XXX	XXX	XXX	551,693

Section B - Incurred Health Claims - Grand Total

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	33,652	28,979	28,602	28,601	28,065
2. 2011	411,375	404,663	398,079	398,079	397,510
3. 2012	XXX	518,014	501,003	497,315	496,487
4. 2013	XXX	XXX	556,007	532,564	530,887
5. 2014	XXX	XXX	XXX	599,090	581,968
6. 2015	XXX	XXX	XXX	XXX	662,518

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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	486,185	397,510	1,647	0.4	399,157	82.1	0	0	399,157	82.1
2. 2012	570,246	496,487	4,288	0.9	500,775	87.8	0	0	500,775	87.8
3. 2013	586,344	530,887	16,131	3.0	547,018	93.3	0	0	547,018	93.3
4. 2014	691,473	559,772	26,038	4.7	585,810	84.7	22,226	107	608,143	87.9
5. 2015	768,506	551,693	28,969	5.3	580,662	75.6	110,825	693	692,180	90.1

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	8,476	8,476							
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ ....) for investment income	7,495,705	922,351					6,573,354		
5. Aggregate write-ins for other policy reserves	3,940,637	3,833,815	0	0	0	0	106,822	0	0
6. Totals (gross)	11,444,818	4,764,642	0	0	0	0	6,680,176	0	0
7. Reinsurance ceded	136,331	136,331							
8. Totals (Net)(Page 3, Line 4)	11,308,487	4,628,311	0	0	0	0	6,680,176	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	320,830	49,636					45,278	225,916	
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	320,830	49,636	0	0	0	0	45,278	225,916	0
13. Reinsurance ceded	35,221	31,202					4,019		
14. Totals (Net)(Page 3, Line 7)	285,609	18,434	0	0	0	0	41,259	225,916	0
DETAILS OF WRITE-INS									
0501. Part D RAF Payable	106,822						106,822		
0502. Risk Adjustment Payable	3,833,815	3,833,815							
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	3,940,637	3,833,815	0	0	0	0	106,822	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent ($ ..... for occupancy of own building)	490,520	489,192	736,290		1,716,002
2.	Salary, wages and other benefits	8,717,666	8,694,059	13,085,546		30,497,271
3.	Commissions (less $ ..... ceded plus $ ..... assumed)			5,198,207		5,198,207
4.	Legal fees and expenses	91,820	91,572	137,826		321,218
5.	Certifications and accreditation fees					0
6.	Auditing, actuarial and other consulting services	1,074,579	1,071,669	1,640,290		3,786,538
7.	Traveling expenses	301,519	300,703	452,592		1,054,814
8.	Marketing and advertising	608,552	606,904	913,460		2,128,916
9.	Postage, express and telephone	557,450	555,940	836,753		1,950,143
10.	Printing and office supplies	176,333	175,856	264,683		616,872
11.	Occupancy, depreciation and amortization	208,239	207,675	312,574		728,488
12.	Equipment	42,767	42,651	64,195		149,613
13.	Cost or depreciation of EDP equipment and software	1,047,366	1,044,530	1,572,136		3,664,032
14.	Outsourced services including EDP, claims, and other services	2,832,354	1,643,613	2,357,418		6,833,385
15.	Boards, bureaus and association fees	14,850	14,810	22,290		51,950
16.	Insurance, except on real estate	99,092	98,824	148,741		346,657
17.	Collection and bank service charges	58,710	58,551	88,206		205,467
18.	Group service and administration fees	112,699	112,394	169,166		394,259
19.	Reimbursements by uninsured plans					0
20.	Reimbursements from fiscal intermediaries					0
21.	Real estate expenses					0
22.	Real estate taxes	26,017	23,658	56,162		105,837
23.	Taxes, licenses and fees:					
	23.1 State and local insurance taxes			515,056		515,056
	23.2 State premium taxes			10,606,142		10,606,142
	23.3 Regulatory authority licenses and fees			15,326,366		15,326,366
	23.4 Payroll taxes	403,785	367,180	871,638		1,642,603
	23.5 Other (excluding federal income and real estate taxes)					0
24.	Investment expenses not included elsewhere				163,048	163,048
25.	Aggregate write-ins for expenses	735,489	726,316	(1,673,408)	0	(211,603)
26.	Total expenses incurred (Lines 1 to 25)	17,599,807	16,326,097	53,702,329	163,048	(a) 87,791,281
27.	Less expenses unpaid December 31, current year	380,119	420,129	4,270,236		5,070,484
28.	Add expenses unpaid December 31, prior year	309,248	341,800	5,073,609		5,724,657
29.	Amounts receivable relating to uninsured plans, prior year	0	0	6,916,738		6,916,738
30.	Amounts receivable relating to uninsured plans, current year			5,686,145		5,686,145
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	17,528,936	16,247,768	53,275,109	163,048	87,214,861
	DETAILS OF WRITE-INS					
2501.	Information Technology	114,268	113,959	171,521		399,748
2502.	Interest	3,773	3,763	73,955		81,491
2503.	Managed Care & Network Access	13,142	5,924	8,917		27,983
2598.	Summary of remaining write-ins for Line 25 from overflow page	604,306	602,670	(1,927,801)	0	(720,825)
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	735,489	726,316	(1,673,408)	0	(211,603)

(a) Includes management fees of $ 42,335,136 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) 385,550	404,999
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 3,914,269	3,868,194
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	198,128	198,128
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) 28,354	28,354
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	4,526,301	4,499,675
11.	Investment expenses		(g) 163,048
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		163,048
17.	Net investment income (Line 10 minus Line 16)		4,336,627
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ 97,111 accrual of discount less $ 1,074,893 amortization of premium and less $ 82,349 paid for accrued interest on purchases.

(b) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued dividends on purchases.

(c) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.

(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.

(e) Includes $ 13,765 accrual of discount less $ 9,046 amortization of premium and less $ 4,076 paid for accrued interest on purchases.

(f) Includes $ accrual of discount less $ amortization of premium.

(g) Includes $. 163,048 investment expenses and $ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ interest on surplus notes and $ interest on capital notes.

(i) Includes $ depreciation on real estate and $ 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	225,718	0	225,718	0	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	1,112,790	0	1,112,790	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans		0	0	0	0
4.	Real estate		0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	(1,244)		(1,244)		
7.	Derivative instruments			0		
8.	Other invested assets		0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	1,337,264	0	1,337,264	0	0
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)		0	0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,229,950	45,054	(1,184,896)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination	14		(14)
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	16,469	34,407	17,938
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	2,303,191	2,628,399	325,208
25. Aggregate write-ins for other than invested assets	46,611	41,863	(4,748)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,596,235	2,749,723	(846,512)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	3,596,235	2,749,723	(846,512)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Prepaid expenses	46,611	41,863	(4,748)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	46,611	41,863	(4,748)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

		Total Members at End of					6
		1	2	3	4	5	Current Year
	Source of Enrollment	Prior Year	First Quarter	Second Quarter	Third Quarter	Current Year	Member Months
1.	Health Maintenance Organizations	3,922	5,488	6,098	6,117	6,177	70,337
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business	94,242	105,000	106,363	107,631	108,039	1,266,864
7.	Total	98,164	110,488	112,461	113,748	114,216	1,337,201
	DETAILS OF WRITE-INS						
0601.	Medicare	17,685	23,866	23,769	23,764	23,831	285,773
0602.	Medicaid	76,557	81,134	82,594	83,867	84,208	981,091
0603.							
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	94,242	105,000	106,363	107,631	108,039	1,266,864

UNITEDHEALTHCARE OF NEW ENGLAND, INC.

NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Organization and Operation

UnitedHealthcare of New England, Inc. (the “Company”), licensed as a health maintenance organization (“HMO”), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of United HealthCare Services, Inc. (“UHS”), an HMO management corporation that provides services to the Company under the terms of a management agreement. UHS is a wholly owned subsidiary of UnitedHealth Group Incorporated (“UnitedHealth Group”). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on November 14, 1984, as an HMO and operations commenced on December 27, 1984. The Company is certified as an HMO by the Rhode Island Department of Business Regulation (the “Department”), Massachusetts Division of Insurance, New Hampshire Insurance Department, Vermont Department of Financial Protection – Insurance Division and Pennsylvania Insurance Department. The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company offers comprehensive commercial products to individual and employer groups. Each contract outlines the coverage provided and renewal provisions. The Company also participates in individual and small group exchange business in Rhode Island.

The Company serves as a plan sponsor offering Medicare Advantage and Medicare Part D prescription drug insurance coverage (“Medicare Part D program”) under a contract with the Centers for Medicare and Medicaid Services (“CMS”). Under the Medicare Part D program, there are seven separate elements of payment received by the Company either during the year or at settlement in the subsequent year. These payment elements are CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk share, and the CMS coverage gap discount program. Each component of the Medicare Part D program is further defined throughout Note 1.

Effective January 1, 2015, UnitedHealthcare Insurance Company (“UHIC”), an affiliate, novated a CMS contract to the Company. The novation agreements result in full rights under the contracts being transferred to the Company for dates of service on or after January 1, 2015. Approval was received from the Department and CMS. There was no transfer of assets or surplus as a result of the novation.

The Company has a contract with the State of Rhode Island and Providence Plantations, Department of Human Services, to provide health care services to Medicaid eligible beneficiaries in Rhode Island. The current contract is effective through June 30, 2016, with one-year renewal option periods.

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed and permitted by the Department.

The Department recognizes only statutory accounting practices, prescribed and permitted by the State of Rhode Island, for determining and reporting the financial condition and results of operations of an HMO, for determining its solvency under Rhode Island Insurance Law. The State prescribes the use of the National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”) in effect for the accounting periods covered in the statutory basis financial statements.

No significant differences exist between the practices prescribed and permitted by the State of Rhode Island and those prescribed and permitted by the NAIC SAP which materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	State of Domicile	2015	2014
Net Income			
(1) Company state basis	Rhode Island	$ 27,515,049	$ 36,672,417
(2) State prescribed practices that increase/(decrease) NAIC SAP: Not applicable	Rhode Island	-	-
(3) State permitted practices that increase/(decrease) NAIC SAP: Not applicable	Rhode Island	-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	Rhode Island	$ 27,515,049	$ 36,672,417
Capital and Surplus			
(5) Company state basis	Rhode Island	$ 147,152,178	$ 160,742,586
(6) State prescribed practices that increase/(decrease) NAIC SAP: Not applicable	Rhode Island	-	-
(7) State permitted practices that increase/(decrease) NAIC SAP: Not applicable	Rhode Island	-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	Rhode Island	$ 147,152,178	$ 160,742,586

B. Use of Estimates in the Preparation of the Statutory Basis Financial Statements

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, and aggregate health policy reserves (including medical loss ratio rebates) and aggregate health claim reserves (collectively known as "aggregate health reserves"), and risk adjustment estimates. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

C. Accounting Policy

Basis of Presentation — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed and permitted by the Department. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

(1–2) Bonds and short-term investments are stated at amortized cost if they meet NAIC designation of one or two and stated at the lower of amortized cost or fair value if they meet an NAIC designation of three or higher. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the Securities Valuation Office of the NAIC ("SVO") in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service;

(3–4) Common stock consists of the Company's share of an investment pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or amortized cost. Interest income from the pool accrues daily to participating members based upon ownership percentage;

(5) The Company holds no mortgage loans on real estate;

(6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities or asset-backed securities cannot exceed more than 30% of total cash and invested assets;

(7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;

(8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;

(9) The Company holds no derivatives;

(10) Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses ("CAE"), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected as an increase in reserves for life and accident and health contracts in the statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30);

(11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between claims adjustment expenses and general administrative expenses to be reported in the statutory basis statement of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid claims adjustment expenses associated with incurred but unpaid claims, which is included in unpaid claims adjustment expenses in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid claims adjustment expenses as of December 31, 2015 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid claims adjustment expenses are reflected in operating results in the period in which the change in estimate is identified;

(12) The Company does not carry any fixed assets on the statutory basis financial statements;

(13) Health care and other amounts receivable consist of pharmacy rebates receivable estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care and other amounts receivable also include receivables for amounts due to the Company for provider advances and claim overpayments to providers, hospitals and other health care organizations. Health care and other amounts receivable also include a receivable from the State for the Rhode Island Risk Share program. According to the Risk Share program, the Company and the State share the risk of certain medical expenses if the medical expenses fall outside of predetermined parameters. Health care and other amounts receivable are considered nonadmitted assets under NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and differences between statutory practices and GAAP:

ASSETS

Cash and Invested Assets

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities, with a maturity of greater than one year at the time of purchase;

- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of amortized cost or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or amortized cost, respectively;

- Investments in common stocks, which consists of the Company's share of an investment pool sponsored and administered by UHS for the benefit of UHS-owned health plans, are valued as prescribed by the SVO, or an external pricing service if NAIC values are not available, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, common stocks are generally reported at fair value;

- Cash overdrafts, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;

- Cash represents cash held by the Company in operating accounts. Claims and other payments are made from the operating accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;

- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;

- Cash equivalents represent U.S. agency discount notes. Cash equivalents have original maturity dates of three months or less from the date of acquisition and are reported at cost or amortized cost depending on the nature of the underlying security, which approximates fair value;

- Short-term investments represent money-market funds, corporate debt securities, U.S. government and agency securities, state and state agency municipal securities, and city and council municipal securities with a maturity of greater than three months but less than one year at the time of purchase. Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital gains less capital gains tax in the statutory basis statements of operations;

- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains less capital gains tax in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company has not recorded any other-than-temporary impairments ("OTTI") for the years ended December 31, 2015 and 2014;

- The statutory basis statements of cash flows reconcile cash, cash overdrafts, cash equivalents, and short-term investments with original maturities of one year or less from the time of acquisition; whereas under GAAP, the statements of cash flows reconcile the corresponding captions of cash and cash equivalents with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

Other Assets

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and amounts determined to be uncollectible are written off in the period in which the determination is made.

- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members as uncollected premiums in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Premiums and considerations also includes the following: a) risk corridor receivables as defined in Section 1342 of the Affordable Care Act ("ACA"). Premium adjustments are based on each qualified health plan's allowable costs in relation to a target amount. A risk corridor receivable is recorded when the allowable costs are above 103 percent of the target amount; b) CMS risk corridor receivables for which adjustments are based on whether the ultimate per member per month ("PMPM") benefit costs of any Medicare Part D program plan varies more than 5% above the level estimated in the original bid submitted by the Company and approved by CMS**;** and c) CMS risk adjustment receivables. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured. Premium adjustments for the ACA Section 1342 risk corridor and CMS risk corridor programs are accounted for as premium adjustments subject to retrospectively rated features (see Note 24). Premium adjustments for the CMS risk adjustment program are accounted for as premium adjustments subject to redetermination (see Note 24).

- **Amounts Receivable Relating to Uninsured Plans** — Receivables for amounts held under uninsured plans represents the costs incurred in excess of the cost reimbursement under the Medicare Part D program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Amounts received for these subsidies are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within cash provided by operations in the statutory basis statements of cash flows. The ACA mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap ("CGDP"). These discounts are pre-funded for the individual members by CMS, and ultimately reimbursed by pharmaceutical manufacturers. If the Company incurs costs in excess of the pre-funded amount, a corresponding receivable is recorded in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within cash provided by operations in the statutory basis statements of cash flows. For employer group members the cost reimbursement under the Medicare Part D program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy and the CMS Coverage Gap Discount Program are only received at settlement which is in the subsequent year. The Company solely administers the application of these funds and has no insurance risk.

- **Net Deferred Tax Asset** — NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under NAIC SAP, the change in deferred tax assets is recorded directly to unassigned surplus in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under NAIC SAP, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheets.

- **Receivables from Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts due as receivables from parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Provider Incentive Pool and Risk-Sharing Arrangements** — The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any deficits in the fund are shared by the

Company and the physician based upon predetermined risk-sharing percentage and the receivable is included in health care and other amounts receivable in the statutory basis statements of admitted assets, liabilities, and capital and surplus, and the corresponding reduction to expense is included in incentive pool, withhold adjustments, and bonus amounts in the statutory basis statements of operations.

LIABILITIES

- **Claims Unpaid and Aggregate Health Reserves** — Claims unpaid and aggregate health reserves include claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

  The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2015 and 2014. Management believes the amount of claims unpaid and aggregate health reserves is a best estimate of the Company's liability for unpaid claims and aggregate health reserves as of December 31, 2015; however, actual payments may differ from those established estimates.

  The reserves ceded to reinsurers for claims unpaid and aggregate health reserves have been reported as reductions of the related reserves rather than as assets, which would be required under GAAP.

  The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

  Claims unpaid also include a payable to the State for the Rhode Island Risk Share program. According to the Risk Share program, the Company and the State share the risk of certain medical expenses if the medical expenses fall outside of predetermined parameters.

- **Unearned Premiums** — Unearned premiums are established for the portion of premiums received during the current period that are partially unearned at the end of the period and are included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Incentive Pool** — The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any surpluses in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Reserve for Experience Rated Refunds** — The Company establishes a liability, net of ceded reinsurance, for estimated premium refunds on experience rated contracts based on actuarial methods and assumptions and minimum loss ratio requirements. The liability also includes the estimated rebates payable on the comprehensive commercial health, and effective for 2014 and subsequent periods, the Medicare products, if the medical loss ratios on fully insured products, as calculated under the definitions of the ACA (see Note 14) and implementing regulations, fall below certain targets. The Company is required to rebate the ratable portions of the premiums annually. Estimated accrued retrospective premiums due from the Company are recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Medical Risk Corridor — Medicare Part D/Medicare Risk Adjustment Factor Estimate** —The Company has settlements with CMS based on whether the ultimate PMPM benefit costs of any Medicare Part D program plan varies more than 5% below the level estimated in the original bid submitted by the Company and approved by CMS in 2015 and 2014. The estimated risk corridor adjustment is recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has also established a payable for Medicare risk adjustment factor estimates according to the health severity and certain demographic factors of its enrollees which is included in aggregate health policy reserves and risk adjustment factor payable in 2015 and 2014, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Section 1342 ACA Risk Corridor Liability** — Premium adjustments for the risk corridors program are accounted for as premium adjustments for retrospectively rated contracts. Premium adjustments are based on each qualified health plan's allowable costs in relation to a target amount. A risk corridor liability is recorded when the allowable costs are below 97 percent of the target amount. The Company has established an estimated risk corridor liability pursuant to Section 1342 of the ACA which is included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 24).

- **Section 1343 ACA Risk Adjustment Payable** — The Company has established a payable pursuant to Section 1343 of the ACA. Premium adjustments related to the risk adjustment program are accounted for as premiums subject to redetermination. Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. A risk adjustment payable is recorded when the Company estimates its average actuarial risk score for policies included in this program is lower than the average actuarial risk scores in that market and state risk pool (see Note 24). The risk adjustment payable is recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Premiums Received in Advance** — Premiums received in full during the current period that are not due until future periods are recorded as premiums received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. General expenses due or accrued also include the amounts for unpaid assessments, premium taxes, and the unpaid portion of the contributions required under the ACA risk adjustment and reinsurance programs (see Note 24).

- **Remittances and Items Not Allocated** — Remittances and items not allocated generally represent monies received from policyholders for monthly premium billings or providers that have not been specifically identified or applied prior to year-end. The majority is from monies received in the lockbox account on the last day of the year.

- **Payable for Securities** — The Company reports payable for securities when investments are traded at the end of an accounting period for which the settlement does not occur until the following month in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Liability for Amounts Held under Uninsured Plans** — Liability for amounts held under uninsured plans represents costs incurred that are less than the cost reimbursement under the Medicare Part D program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Amounts received for these subsidies are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs less than these subsidies, a corresponding liability is recorded in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within cash provided by operations in the statutory basis statements of cash flows. The ACA mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the CGDP. These discounts are pre-funded for the individual members by CMS, and ultimately reimbursed by pharmaceutical manufacturers. If the Company incurs costs less than the pre-funded amount, a corresponding liability is recorded in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within cash provided by operations in the statutory basis statements of cash flows. For employer group members, the cost reimbursement under the Medicare Part D program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy and the CMS Coverage Gap Discount Program are only received at settlement which is in the subsequent year. The Company solely administers the application of these funds and has no insurance risk.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain health care receivables, and prepaid expenses are considered nonadmitted assets under NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheets.

- **Restricted Cash Reserves** —

  The Company is exempt from the state of Rhode Island minimum regulatory deposit requirements, but it currently holds $134,324 in deposits. The Company is required by the State of Massachusetts to maintain a minimum regulatory deposit and is currently holding $1,092,125 in deposits, and was in compliance with this requirement as of December 31, 2015. This restricted cash reserve consists principally of government obligations and are stated at amortized cost, which approximates fair value. This reserve is included in bonds in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on this reserve accrues to the Company.

- **Minimum Capital and Surplus** — Under the laws of the State, the Department requires the Company to maintain a minimum capital and surplus of $2,500,000 or the minimum amount necessary to meet the risk-based capital (RBC) requirement. The minimum capital and surplus requirement is $69,660,349 and $61,189,199 for December 31, 2015 and 2014, respectively. Under the laws of the state of Massachusetts, the Division of Insurance requires the company to maintain a minimum capital and surplus equal to $1,000,000 or 2% of the first $150,000,000 annual premium revenue and 1% of annual premium revenue in excess of $150,000,000. The Company has $147,152,178 and $160,742,586 in total statutory basis capital and surplus as of December 31, 2015 and 2014, respectively, which is in compliance with the required amount.

  RBC is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The Massachusetts Division of Insurance requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above or the company action level as calculated by the RBC formula or the level needed to avoid action pursuant to the trend test in the RBC formula. The Company is in compliance with the required amount.

- **Aggregate Write-Ins for Special Surplus Funds** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under NAIC SAP, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as aggregate write-ins for special surplus funds, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required.

STATEMENTS OF OPERATIONS

- **Net Premium Income and Change in Unearned Premium Reserves and Reserve for Rate Credits** — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums paid and incurred. The corresponding change in unearned premium from year to year is reflected as a change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations. Under GAAP, the change in unearned premium from year to year is reported through premium income.

  Comprehensive commercial health plans with medical loss ratios on fully insured products, as calculated under the definitions in the ACA (see Note 14) and implementing regulations, that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

  Pursuant to Section 1342 and Section 1343 of the ACA the Company records premium adjustments for changes to the risk corridor and risk adjustment balances which are reflected in change in unearned premium reserves and reserve for rate credits and net premium income, respectively, in the statutory basis statements of operations.

  Net premium income includes premium under the Medicare Advantage program which includes CMS premium and member premium. It also includes premium under the Medicare Part D program, which includes, CMS premium, member premium, and low-income premium subsidy for the Company's insurance risk coverage. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive health care services and prescription drug benefits.

Net premium income also includes amounts pursuant to the CMS risk adjustment program. The Company recognized $1,176,335 and $5,464,654 for changes in prior year Medicare risk factor estimates during the years ended December 31, 2015 and 2014, respectively, which is recorded as net premium income in the statutory basis statements of operations.

The Company also records estimates related to the CMS risk corridor program. Changes to these estimates are reflected as change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

Effective in 2014, Medicare Advantage plans and Part D prescription drug plans became subject to MLR requirements under the ACA. Plans with medical loss ratios that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

Net premium income also includes amounts paid by state and federal governments on a per member basis in exchange for the provision and administration of medical benefits under the Medicaid program. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity payments. Maternity income is billed on contractual rates and recognized as income as each birth case is identified by the Company. Included in net premium income are capitated payments and maternity payments. The majority of net premium income recorded is based on capitated rates, which are monthly premiums paid for each member enrolled. Home nursing risk-sharing income is payable based upon the number of members that qualify for such reimbursement.

The Company has recorded receivables from employer groups for estimated retrospective premium adjustments due to the Company based on the underlying contractual terms that are recorded as a decrease to change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

- **Total Hospital and Medical Expenses** — Total hospital and medical expenses include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

  Total hospital and medical expenses also include amounts incurred for incentive pool, withhold adjustments, and bonus amounts that are based on the underlying contractual provisions with the respective providers. In addition, adjustments to claims unpaid estimates and aggregate health reserves are reflected in the period once the change in estimate is identified and included in total hospital and medical expenses in the statutory basis statements of operations.

- **General Administrative Expenses** — Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the management agreement are directly expensed as incurred. State income taxes are also a component of general administrative expenses. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between claims adjustment expenses and general administrative expenses to be reported in the statutory basis statements of operations.

  The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity's annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. Under NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in general administrative expenses in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year.

- **Net Investment Income Earned** — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).

- **Federal Income Taxes Incurred**— The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income after capital gains and before all other federal income taxes primarily as a result of the annual health insurer fee under Section 9010 of the ACA that requires the Company to expense 100% of the estimated annual fee on January 1, of the fee year which is nondeductible for tax purposes.

- Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

REINSURANCE

- **Reinsurance Ceded** — In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred but not paid are deducted from net premium income in the accompanying statutory basis statements of operations. Any amounts due to the Company pursuant to this agreement are recorded as amounts recoverable from reinsurers in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 10 and Note 23).

  The Company has a reinsurance agreement with Unimerica Insurance Company ("Unimerica"), an affiliate, through which a contractual PMPM rate of earned Medicare and Medicaid member premiums and 100% of obligations relating to mental health and substance abuse treatments and services is ceded to the reinsurer (see Note 10). The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums are deducted from net premium income in the statutory basis financial statements. Pursuant to the reinsurance agreement, any amounts recoverable from the reinsurer for claims paid or estimates of claims incurred but not yet paid are recorded as amounts recoverable from reinsurers and as a reduction to claims unpaid, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net reinsurance recoveries in the statutory basis statements of operations.

  The Company has a reinsurance agreement through which 60% of earned commercial member premiums, hospital and medical benefits, and operating expenses are ceded to UHIC, an affiliated entity, or ("Reinsurer"). These amounts are reflected as a reduction to net premium income, total hospital and medical, claims adjustment expenses, and general administrative expenses in the accompanying statutory basis financial statements. Pursuant to the quota share agreement, the Company records amounts recoverable from the reinsurer for claims paid and for general administrative expenses and claims adjustment expenses as amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as a reduction to total hospital and medical, general administrative expenses, and claims adjustment expenses in the statutory basis statements of operations.

  Additionally, the Company has an insolvency-only reinsurance agreement and a Medicaid stop-loss reinsurance agreement with UHIC (see Note 10).

- **Amounts Recoverable from Reinsurers** — The Company records amounts recoverable from reinsurers for claims paid and claims adjustment expenses under the quota share and Unimerica agreement as reinsurance recoverables in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net reinsurance recoveries in the statutory basis statements of operations.

- **Section 1341 ACA Transitional Reinsurance** — The Company has established a receivable of $165,674 and a payable of $33,418 pursuant to Section 1341 of the ACA which is included in amounts recoverable from reinsurers and ceded reinsurance premium payable in the statutory basis statements of admitted assets, liabilities, and capital and surplus, for the transitional reinsurance program. This program is designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations (see Note 24).

- **Ceded Reinsurance Premiums Payable** — The ceded reinsurance premiums payable balance represents amounts due to the reinsurer for coverage for mental health and substance abuse services, chiropractic, and physical and occupational therapy treatments, which will be paid based on the contract terms. In addition, the Company has ceded reinsurance premiums payable relating to the reinsurance agreements noted above with its affiliate, UHIC.

OTHER

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

The Company has no customers that individually exceed 10% of total direct premiums written for the years ended December 31, 2015 and 2014.

Direct premiums written and premiums and considerations from members and CMS related to Medicare Advantage and the Medicare Part D program as a percentage of total direct premiums written and total premiums and considerations, including risk adjustment factor receivables, are 33% and 77% as of December 31, 2015 and 33% and 59% as of December 31, 2014, respectively.

Direct written premiums and premiums and considerations from the State as a percentage of total direct premiums written and total premiums and considerations, including risk adjustment factor receivables, are 64% and 15% as of December 31, 2015 and 65% and 38% as of December 31, 2014, respectively.

Recently Issued Accounting Standards — The Company reviewed all recently issued guidance in 2014 and 2015 that has been adopted for 2015 or subsequent years' implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

D. Going Concern

The Company has the ability to continue as a going concern and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles have been recorded during the years ended December 31, 2015 and 2014.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2015 and 2014, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

(1–5) The Company did not discontinue any operations during 2015 and 2014.

5. INVESTMENTS AND OTHER INVESTED ASSETS

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of investments for bonds were $1,352,221 and $13,710, respectively, for 2015 and $733,797 and $263,783, respectively, for 2014. The gross realized gains and losses on sales of short-term investments were $0 and $1,245, respectively, for 2015 and $0 and $0, respectively, for 2014. The net realized gain is included in net realized capital gains less capital gains tax in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were $39,405,491 and $34,876,982, common stock were $781,122,215 and $633,360,613, and for short-term investments were $199,738,778 and $43,651,742 in 2015 and 2014, respectively.

As of December 31, 2015 and 2014, the amortized cost, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash overdrafts, cash, and cash equivalents of $(418,762) and $828,889, respectively, are as follows:

	2015				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 65,118,248	$ 236,534	$ (219,157)	$ (1,335)	$ 65,134,290
State and agency municipal securities	32,144,645	1,074,344	(723)	-	33,218,267
City and county municipal securities	19,703,214	613,233	-	-	20,316,447
Corporate debt securities (includes commercial paper)	86,858,904	507,919	(408,729)	(97,250)	86,860,844
Money-market funds	383,965	-	-	-	383,965
Equity (includes marketable common stock)	110,367,088	-	-	-	110,367,088
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 314,576,064	$ 2,432,030	$ (628,609)	$ (98,585)	$ 316,280,901

	2015				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
Less than one year	$ 119,667,211	$ 41,560	$ (4,064)	$ -	$ 119,704,707
One to five years	106,570,634	733,689	(353,727)	(14,827)	106,935,769
Five to ten years	31,373,058	532,955	(159,990)	(83,758)	31,662,265
Over ten years	56,965,161	1,123,826	(110,828)	-	57,978,160
Total bonds, short-term investments, and equity (including common stocks)	$ 314,576,064	$ 2,432,030	$ (628,609)	$ (98,585)	$ 316,280,901

	2014				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 50,635,838	$ 632,014	$ (33,096)	$ (10,280)	$ 51,224,476
State and agency municipal securities	31,720,651	1,429,411	(786)	-	33,149,276
City and county municipal securities	24,816,028	1,336,051	-	-	26,152,079
Corporate debt securities (includes commercial paper)	75,019,271	963,821	(61,823)	(235,432)	75,685,837
Money-market funds	8,556,993	-	-	-	8,556,993
Equity (includes marketable common stock)	77,913,314	-	-	-	77,913,314
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 268,662,095	$ 4,361,297	$ (95,705)	$ (245,712)	$ 272,681,975

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at an amortized cost of $31,565,489 and fair value of $31,931,605.

The following table illustrates the fair value and gross unrealized holding losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2015 and 2014:

	2015					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 53,036,282	$ (219,157)	$ 132,989	$ (1,335)	$ 53,169,271	$ (220,492)
State and agency municipal securities	1,601,643	(723)	-	-	1,601,643	(723)
City and county municipal securities	-	-	-	-	-	-
Corporate debt securities (includes commercial paper)	51,782,514	(408,729)	1,627,581	(97,250)	53,410,095	(505,979)
Money-market funds	-	-	-	-	-	-
Other invested assets	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 106,420,439	$ (628,609)	$ 1,760,570	$ (98,585)	$ 108,181,009	$ (727,194)

	2014					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 10,022,854	$ (33,096)	$ 1,518,533	$ (10,280)	$ 11,541,387	$ (43,376)
State and agency municipal securities	1,385,954	(786)	-	-	1,385,954	(786)
City and county municipal securities	-	-	-	-	-	-
Corporate debt securities (includes commercial paper)	17,597,536	(61,823)	12,287,169	(235,432)	29,884,705	(297,255)
Money-market funds	-	-	-	-	-	-
Other invested assets	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 29,006,344	$ (95,705)	$ 13,805,702	$ (245,712)	$ 42,812,046	$ (341,417)

The unrealized losses on investments in U.S. Government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2015 and 2014, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its amortized cost. The contractual cash flows of the U.S. Government and agency obligations are guaranteed either by the U.S. Government or an agency of the U.S. Government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipalities and local agency obligations and corporate obligations, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company has not recorded any OTTI for the years ended December 31, 2015 and 2014.

A–C. The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.

D. Loan-Backed Securities

(1) U.S. government and agency securities and corporate debt securities include loan-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.

(2) The Company did not recognize any OTTI's on loan-backed securities as of December 31, 2015 and 2014.

(3) The Company did not have any loan-backed securities with an OTTI to report by CUSIP as of December 31, 2015 or 2014.

(4) The following table illustrates the fair value, gross unrealized losses, and length of time that the loan-backed securities have been in a continuous unrealized loss position as of December 31, 2015 and 2014:

	2015
The aggregate amount of unrealized losses:	
1. Less than 12 months	$ (179,843)
2. 12 months or longer	(386)
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	33,040,853
2. 12 months or longer	157,890

	2014
The aggregate amount of unrealized losses:	
1. Less than 12 months	$ (27,822)
2. 12 months or longer	(23,918)
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	7,613,258
2. 12 months or longer	2,412,729

(5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrealized losses as of December 31, 2015 and 2014 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

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

F. **Real Estate** — Not applicable.

G. **Low-Income Housing Tax Credits** — Not applicable.

H. **Restricted Assets** —

(1) Restricted assets, including pledged as of December 31, 2015 and 2014, are presented below:

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase/ (Decrease) (1 Minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 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	1,226,449	$ 1,155,432	$ 71,017	1,226,449	0%	0%
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	$ 1,226,449	$ 1,155,432	$ 71,017	$ 1,226,449	0 %	0 %

(2–3) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2015 or 2014.

I. Working Capital Finance Investments — Not applicable.

J. Offsetting and Netting of Assets and Liabilities

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

K. Structured Notes

The Company does not have any structured notes.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

A–B. The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

7. INVESTMENT INCOME

A. The Company has admitted all investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The components of net investment income earned as of December 31, 2015 and 2014 are as follows:

	2015	2014
Bonds	$ 4,273,193	$ 4,342,454
Common stocks	198,128	102,084
Cash, cash equivalents, and short-term investments	28,354	752
Total investment income earned	4,499,675	4,445,290
Investment income expenses	(163,048)	(137,131)
Net investment income earned	$ 4,336,627	$ 4,308,159

B. There were no investment income amounts excluded from the statutory basis financial statements.

8. DERIVATIVE INSTRUMENTS

A–F. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2015 and 2014, are as follows:

	2015			2014			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
(a) Gross deferred tax assets	$ 4,522,909	$ -	$ 4,522,909	$ 3,509,699	$ -	$ 3,509,699	$ 1,013,210	$ -	$ 1,013,210
(b) Statutory valuation allowance adjustments	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	4,522,909	-	4,522,909	3,509,699	-	3,509,699	1,013,210	-	1,013,210
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - 1d)	4,522,909	-	4,522,909	3,509,699	-	3,509,699	1,013,210	-	1,013,210
(f) Deferred tax liabilities	310,835	2,473	313,308	36,026	5,128	41,154	274,809	(2,655)	272,154
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	$ 4,212,074	$ (2,473)	$ 4,209,601	$ 3,473,673	$ (5,128)	$ 3,468,545	$ 738,401	$ 2,655	$ 741,056

(2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes—A Replacement of SSAP No. 10R and SSAP No. 10,* are as follows:

Admission Calculation Components SSAP No. 101	2015 1 Ordinary	 2 Capital	 3 (Col 1 + 2) Total	2014 4 Ordinary	 5 Capital	 6 (Col 4 + 5) Total	Change 7 (Col 1 - 4) Ordinary	 8 (Col 2 - 5) Capital	 9 (Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 4,522,909	$-	$ 4,522,909	$ 3,509,699	$-	$ 3,509,699	$ 1,013,210	$-	$ 1,013,210
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	21,441,387	XXX	XXX	23,591,106	XXX	XXX	(2,149,719)
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	-	-	-	-	-	-	-	-	-
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	$ 4,522,909	$-	$ 4,522,909	$ 3,509,699	$-	$ 3,509,699	$ 1,013,210	$-	$ 1,013,210

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

	2015	2014
(a) Ratio percentage used to determine recovery period and threshold limitation amount	564 %	707 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	$ 142,942,577	$ 157,274,041

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies is presented below:

Strategies	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage.						
1. Adjusted gross DTAs amount from Note 9A1(c)	$ 4,522,909	$ -	$ 3,509,699	$ -	$ 1,013,210	$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	$ 4,522,909	$ -	$ 3,509,699	$ -	$ 1,013,210	$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes ____ No X

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities.

C. Significant Components of Income Taxes

(1) The current federal and foreign income taxes incurred for the years ended December 31, 2015 and 2014 are as follows:

	1 2015	2 2014	3 (Col 1 - 2) Change
1. Current income tax			
(a) Federal	$ 21,555,852	$ 22,935,812	$ (1,379,960)
(b) Foreign	-	-	-
(c) Subtotal	21,555,852	22,935,812	(1,379,960)
(d) Federal income tax on net capital gains	480,869	176,588	304,281
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	$ 22,036,721	$ 23,112,400	$ (1,075,679)

(2–4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2015 and 2014, are as follows:

	1 2015	2 2014	3 (Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	$ 388,651	$ 334,894	$ 53,757
(2) Unearned premium reserve	2,864,255	2,212,303	651,952
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables—nonadmitted	1,242,368	947,751	294,617
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carry forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	27,635	14,751	12,884
(99) Subtotal	4,522,909	3,509,699	1,013,210
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	4,522,909	3,509,699	1,013,210
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	4,522,909	3,509,699	1,013,210
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	25,937	36,026	(10,089)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	284,898	-	284,898
(99) Subtotal	310,835	36,026	274,809
(b) Capital:			
(1) Investments	2,473	5,128	(2,655)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities	-	-	-
(99) Subtotal	2,473	5,128	(2,655)
(c) Deferred tax liabilities (3a99 + 3b99)	313,308	41,154	272,154
4 Net deferred tax assets/liabilities (2i - 3c)	$ 4,209,601	$ 3,468,545	$ 741,056

The other ordinary deferred tax liability of $284,898 for 2015 consists of premium acquisition expense.

The Company assessed the potential realization of the gross deferred tax asset and as a result no statutory valuation allowance was required and no allowance was established as of December 31, 2015 and 2014.

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income before federal income taxes incurred, plus capital gains tax/less capital gains tax. A summarization of the significant items causing this difference as of December 31, 2015 and 2014 are as follows:

	2015	2014
Tax provision at the federal statutory rate	$ 17,343,121	$ 20,924,686
Tax-exempt interest	(470,820)	(547,854)
Other current year items	-	-
Health insurer fee	4,719,648	3,073,767
Tax effect of nonadmitted assets	(296,279)	(44,265)
Change in statutory valuation allowance	-	-
Other	(5)	1,262
Total statutory income taxes	$ 21,295,665	$ 23,407,596
Federal income taxes incurred	$ 21,555,852	$ 22,935,812
Capital gains tax	480,869	176,588
Change in net deferred tax asset	(741,056)	295,196
Total statutory income taxes	$ 21,295,665	$ 23,407,596

E. At December 31, 2015, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable (payable) of $2,262,275 and $(4,341,400) as of December 31, 2015 and 2014, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were $28,640,396 and $18,795,578 in 2015 and 2014, respectively.

Federal income taxes incurred of $22,036,725 and $23,112,400 for 2015 and 2014, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 (“Deposits made to suspend running of interest on potential underpayments, etc.”) of the Internal Revenue Service (“IRS”) Code.

F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y—Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group’s consolidated income tax returns for fiscal years 2014 and prior. UnitedHealth Group’s 2015 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2008 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

G. **Tax Contingencies** — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–L. Material Related Party Transactions

Pursuant to the terms of a Management Agreement (the “Agreement”), UHS will provide management services to the Company under a fee structure, which is based on a percentage of premium charges representing UHS’ expenses for services or use of assets provided to the Company. In addition, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a PMPM basis (where the charges incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services may include, but are not limited to, integrated personal health management solutions, such as disease management, treatment decision support, and wellness services, including a 24-hour call-in service, access to a network of transplant providers, and discount program services. The amount and types of services provided pursuant to the pass-through provision of the Agreement can change year over year as UHS becomes the contracting entity for services provided to the Company's members. Total administrative services, capitation, and access fees under this arrangement totaled $49,691,712 and $43,723,358 in 2015 and 2014, respectively, and are included in total hospital and medical expenses, general administrative expenses, and claims adjustment expenses in the statutory basis statements of operations. Direct expenses not covered under the Agreement, such as broker commissions, Department exam fees, ACA assessments, and premium taxes, are paid by UHS on behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

The Company also directly contracts with related parties to provide services to its members. The Company expensed as hospital and medical expenses, general administrative expenses, and claims adjustment expenses $81,868,580 and $67,005,136 in capitation fees to related parties during 2015 and 2014, respectively. United Behavioral Health provides mental health and substance abuse services. Under the Agreement effective for July 2011, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a PMPM basis (where the charge incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services include, but are not limited to, integrated personal health management solutions, such as disease management, treatment decision support, and wellness services, including a 24-hour call-in service, and discount program services. Dental Benefit Providers, Inc., provides dental care assistance. Spectera, Inc. provides administrative services related to vision benefit management and claims processing. OptumHealth Care Solutions, Inc. provides chiropractic, physical therapy and complex medical conditions services. The capitation expenses, administrative services, and access fees paid to related parties, that are included as hospital and medical expenses, general administrative expenses, and claims adjustment expenses in the statutory basis statements of operations for the years ended December 31, 2015 and 2014, are shown below:

	2015	**2014**
United Behavioral Health	$ 74,170,911	$ 61,782,607
United HealthCare Services, Inc.	7,356,576	4,929,698
Dental Benefit Providers, Inc.	203,348	92,807
OptumHealth Care Solutions, Inc.	122,574	95,064
Spectera, Inc.	15,171	104,960
Total	$ 81,868,580	$ 67,005,136

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company contracts with OptumRx to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements, which are calculated on a per- claim basis, of $3,789,704 and $3,550,251 in 2015 and 2014, respectively, are included in general administrative expenses and claims adjustment expenses in the statutory basis statements of operations.

The Company contracts with OptumRx to provide personal health products catalogues showing the healthcare products and benefit credits needed to redeem the respective products. OptumRx will mail the appropriate personal health products catalogues to the Company's members and manage the personal health products credit balance. OptumRx also distributes personal health products to individual members based upon the terms of the agreement. Fees related to this agreement in 2015 and 2014, which are calculated on a PMPM basis of $6,370 and $7,615 are included in hospital and medical expenses in the statutory basis statements of operations.

The Company has agreements with OptumInsight, Inc., an affiliate of the Company, for claim analytics, recovery of medical expense overpayments, retroactive fraud, waste and abuse, subrogation and premium audit services. All recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis and a capitated service fee is charged to the Company as a PMPM. Service fees of $4,218,777 and $2,941,238 are included in hospital and medical expenses, claims adjustment expenses, and general administrative expenses in the statutory basis statements of operations for the years ended December 31, 2015 and 2014, respectively.

The Company has premium payments that are received and claim payments that are processed by an affiliated UnitedHealth Group entity. Both premiums and claims applicable to the Company are settled at regular intervals throughout the month via the intercompany settlement process and any amounts outstanding are reflected in receivables from parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has an insolvency-only reinsurance agreement with UHIC, an affiliate of the Company, to provide insolvency protection for its enrollees. Reinsurance premiums, which are calculated on a percentage of member premium income, of $796,020 and $702,702 in 2015 and 2014, respectively, are netted against net premium income in the statutory basis statement of operations.

The Company also has a reinsurance agreement for Medicaid product with UHIC. Under the provisions of the contract, the reinsurer indemnifies the Company for 80% of all eligible inpatient services in excess of $300,000 per Medicaid member during each contract year. The Company ceded premiums of $618,083 in 2015 and $305,330 in 2014 to UHIC under this agreement.

The Company has a reinsurance agreement with UHIC, an affiliate of the Company, through which 60% of earned comprehensive commercial member premiums, hospital and medical expenses, and operating expenses are transferred to UHIC. Reinsurance premiums of $12,581,741 and $7,115,922 as of December 31, 2015 and 2014, respectively, were netted against net premium income in the statutory basis statement of operations. Reinsurance recoveries of $10,275,149 and $6,098,488 as of December 31, 2015 and 2014, respectively, are included in net reinsurance recoveries in the statutory basis statement of operations. The Company transferred general administrative expenses and CAE of $2,956,021 and $1,022,685 in 2015 and 2014, respectively, to UHIC under this agreement. The Company recorded receivables related to changes in reserve estimates that includes changes related to medical loss ratio rebates of $1,199,104 and $776,771 in 2015 and 2014, respectively, which are netted against claims unpaid and aggregate health policy reserves within the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company recorded paid claim receivables related to this agreement, including payments made for the medical loss ratio rebates of $943,282 and $667,343 in 2015 and 2014, respectively, which are included in amounts recoverable from reinsurers within the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company recorded a receivable related to general administrative expenses and claims adjustment expenses of $305,312 and $116,450 in 2015 and 2014 respectively, which is included in other assets in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company.

Effective October 1, 2013, the Company entered into a reinsurance agreement with an affiliated entity, Unimerica, to cede obligations relating to. The agreement has been approved by the Department. Reinsurance premiums, which are calculated on a PMPM basis, of $4,382,172 and $4,793,386 as of December 31, 2015 and 2014, respectively were netted against net premium income in the statutory basis statement of operations. Reinsurance recoveries of $4,327,001 and $5,512,575 as of December 31, 2015 and 2014 are included in net reinsurance recoveries in the statutory basis statement of operations. There were $458,588 and $333,983 of amounts recoverable from reinsurers related to this agreement as of December 31, 2015 and 2014, respectively. The Company recorded receivables related to changes in reserve estimates that includes changes related to medical loss ratio rebates of $633,581 and $968,685 in 2015 and 2014, respectively, which are netted against claims unpaid and aggregate health policy reserves within the statutory basis statements of admitted assets, liabilities, and capital and surplus. The agreement has been approved by the Department. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company.

The effect of reinsurance with related parties on net premiums and total hospital and medical expenses for the years ended 2015 and 2014, is as follows:

	2015	2014
Earned premiums:		
Direct	$ 794,285,252	$ 703,796,530
Ceded	(18,378,016)	(12,917,341)
Net premium income	$ 775,907,236	$ 690,879,189
Hospital and medical expenses:		
Direct	$ 651,926,991	$ 581,566,312
Ceded	(14,965,628)	(12,357,698)
Net hospital and medical expenses	$ 636,961,363	$ 569,208,614

The Company holds a $50,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate (“LIBOR”) plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is effective October 1, 2012 and shall continue until terminated pursuant to the terms of the credit agreement. No amounts were outstanding under the line of credit as of December 31, 2015 and 2014.

At December 31, 2015 and 2014, the Company reported $343,207 and $10,599,745, respectively, as receivables from parent, subsidiaries and affiliates, net which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets. The Company pays interest expense on the monthly average balance in the net amounts due to parent, subsidiaries, and affiliates account, which is calculated at a fluctuating rate that approximates the prime rate. Net interest expense incurred by the Company in 2015 and 2014 relating to this balance was $35,966 and $80,730, respectively. Interest expense is included in general administrative expenses in the statutory basis statements of operations.

In addition to the agreements above, UHS maintains a private short-term money market investment pool in which affiliated companies may participate (see Note 1). At December 31, 2015 and 2014, the Company's portion was $110,367,088 and $77,913,314, respectively, and is included in common stock in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of $16,000,000 and $0 in 2015 and 2014, respectively, to its parent (see Note 13).

On December 9, 2015, the Company requested an extraordinary dividend of $75,000,000 from the Department. On February 2, 2016, the Company received approval from the Department to pay an extraordinary dividend of $25,000,000 which was recorded as an increase in liabilities as an aggregate write in and as a reduction to surplus within the Annual 2015 Statement of Revenue and Expenses.

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

11. DEBT

A–B. The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2015 and 2014.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

A–I. The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of the Agreement (see Note 10).

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

(1–2) The Company has 100 shares authorized and 10 shares issued and outstanding of no par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, UHS.

(3) Payment of dividends may be restricted by the Department, which generally requires that dividends be paid out of unassigned surplus.

(4) The Company paid an ordinary cash dividend to UHS of $16,000,000 on June 2nd, 2015, which required no approval and was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company requested an extraordinary dividend for $75,000,000 to UHS on December 9, 2015.

(5) The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.

(6) There are no restrictions placed on the Company's unassigned surplus.

(7) The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.

(8) The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.

(9) As discussed in Note 1, an amount equal to the estimated subsequent year ACA fee must be apportioned out of unassigned surplus and reported as aggregate write-ins for special surplus funds. For the year ending December 31, 2015, the amount was $14,047,612.

(10) The portion of unassigned surplus, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, net income, and dividends, represented (or reduced) by each item below is as follows:

	2015	2014	Change
Net deferred income taxes	$ 4,209,601	$ 3,468,545	$ 741,056
Nonadmitted assets	(3,596,235)	(2,749,722)	(846,513)
Total	$ 613,366	$ 718,823	$ (105,457)

(11–13) The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company is not aware of any guarantee fund assessments or premium tax offsets, potential or accrued, that could have a material financial effect on the operations of the entity.

C. Gain Contingencies

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

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

E. Joint and Several Liabilities — Not applicable.

F. All Other Contingences

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters: involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The Company has been, or is currently involved in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. Certain of the Company's businesses have been reviewed or are currently under review, for reasons including compliance with coding and other requirements under the Medicare risk-adjustment model.

Risk Adjustment Data Validation ("RADV") Audit — CMS adjusts capitation payments to Medicare Advantage plans and Medicare Part D plans according to the predicted health status of each beneficiary as supported by data from health care providers. The Company collects claim and encounter data from providers who the Company generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted and member demographic information.

CMS and the Office of Inspector General for Health and Human Services periodically perform RADV audits of selected Medicare health plans to validate the coding practices of and supporting documentation maintained by health care providers. Such audits have in the past resulted in, and in the future could result in, retrospective adjustments to payments made to the Company, fines, corrective action plans or other adverse action by CMS.

In February 2012, CMS announced a final RADV and payment adjustment methodology audit. It will conduct the RADV audits beginning with the 2011 payment year. These audits involve a review of medical records maintained by care providers and may result in retrospective adjustments to payments made to health plans. CMS has not communicated how the final payment adjustment under its methodology will be implemented.

The ACA and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing the Company's liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition, and cash flows could be materially adversely affected by such changes. The ACA may create new or expand existing opportunities for business growth, but due to its complexity, the long term impact of the ACA remains difficult to predict and is not yet fully known.

There are no assets that the Company considers to be impaired at December 31, 2015 and 2014, except as disclosed in Note 5 and Note 20.

15. LEASES

A–B. According to the management agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

(1–4) The Company does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A–C. The Company did not participate in any transfer of receivables, financial assets, or wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A–B. The Company has no operations from Administrative Services Only Contracts or Administrative Services Contracts in 2015 and 2014.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

The Medicare Part D program is a partially insured plan. The Company recorded a receivable of $2,208,463 and $3,345,020 at December 31, 2015 and 2014, respectively, for cost reimbursements under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies as described in Note 1, *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans*. The Company also recorded a receivable of $643,348 and $934,168 and also a payable of $476,028 and $306,453 at December 31, 2015 and 2014, respectively, for the Medicare Part D Coverage Gap Discount Program as described in Note 1, *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans.*

Pursuant to the ACA, the state elected to administer enhanced rate payments to primary care physicians ("PCP") through non-risk reconciled payments. The state's capitation rate is not inclusive of the enhanced rate and the Company is reimbursed at agreed upon intervals for all of the enhanced payment amounts in the determined period. There is no risk to the Company because any excess or shortfall is 100% remitted or received back from the state. The Company recorded a receivable in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus of $2,834,335 and $2,637,550 as of December 31, 2015 and December 31, 2014 respectively, for cost reimbursements and payments to providers under this program. The legislative requirement to pay enhanced rates to primary care physicians ended as of January 1, 2015.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2015 and 2014.

20. FAIR VALUE MEASUREMENT

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1—Quoted (unadjusted) prices for identical assets in active markets.

Level 2—Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3—Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds, short-term investments, and common stocks are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service ("pricing service"), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

A. Fair Value

(1) Fair Value Measurements at Reporting Date

The following table presents information about the Company's financial assets that are measured and reported at fair value at December 31, 2015 and 2014, in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values:

Description for Each Class of Asset or Liability	December 31, 2015 (Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual preferred stock:				
Industrial and misc	$ -	$ -	$ -	$ -
Parent, subsidiaries, and affiliates	-	-	-	-
Total perpetual preferred stocks	-	-	-	-
Bonds:				
U.S. governments	-	-	-	-
Industrial and misc	-	-	-	-
Hybrid securities	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-
Total bonds	-	-	-	-
Common stock:				
Industrial and misc	110,367,088		-	110,367,088
Parent, subsidiaries, and affiliates	-	-	-	-
Total common stock	110,367,088	-	-	110,367,088
Derivative assets:				
Interest rate contracts	-	-	-	-
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total derivatives	-	-	-	-
Total assets at fair value	$ 110,367,088	$ -	$ -	$ 110,367,088
b. Liabilities at fair value:				
Derivative liabilities	$ -	$ -	$ -	$ -
Total liabilities at fair value	$ -	$ -	$ -	$ -

Description for Each Class of Asset or Liability	**December 31, 2014 (Level 1)**	**(Level 2)**	**(Level 3)**	**Total**
a. Assets at fair value:				
Perpetual preferred stock:				
Industrial and misc	$ -	$ -	$ -	$ -
Parent, subsidiaries, and affiliates	-	-	-	-
Total perpetual preferred stocks	-	-	-	-
Bonds:				
U.S. governments	-	-	-	-
Industrial and misc	-	-	-	-
Hybrid securities	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-
Total bonds	-	-	-	-
Common stock:				
Industrial and misc	77,913,314	-	-	77,913,314
Parent, subsidiaries, and affiliates	-	-	-	-
Total common stock	77,913,314	-	-	77,913,314
Derivative assets:				
Interest rate contracts	-	-	-	-
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total derivatives	-	-	-	-
Separate account assets	-	-	-	-
Total assets at fair value	$ 77,913,314	$ -	$ -	$ 77,913,314
b. Liabilities at fair value:				
Derivative liabilities	$ -	$ -	$ -	$ -
Total liabilities at fair value	$ -	$ -	$ -	$ -

There were no transfers between Levels 1 and 2 during the years ended December 31, 2015 and 2014.

2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.

(3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2015 or 2014.

(4) The Company has no investments reported with a fair value hierarchy of Level 2 or Level 3 and therefore has no valuation technique to disclose.

(5) The Company has no derivative assets and liabilities to disclose.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2015 and 2014 is presented in the table below:

Types of Financial Investment	2015 Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practical Carrying Value
U.S. government and agency securities	$ 65,134,290	$ 65,118,248	$ 30,161,463	$ 34,972,828	$ -	$ -
State and agency municipal securities	33,218,267	32,144,645	-	33,218,267	-	-
City and county municipal securities	20,316,447	19,703,214	-	20,316,446	-	-
Corporate debt securities (includes commercial paper)	86,860,844	86,858,904	-	86,860,844	-	-
Money-market funds	383,965	383,965	383,965	-	-	-
Other invested assets	-	-	-	-	-	-
Equity (including marketable common stock)	110,367,088	110,367,088	110,367,088	-	-	-
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 316,280,901	$ 314,576,064	$ 140,912,516	$ 175,368,385	$ -	$ -

Types of Financial Investment	2014 Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practical Carrying Value
U.S. government and agency securities	$ 51,224,477	$ 50,635,839	$ 20,746,066	30,478,411	$ -	$ -
State and agency municipal securities	33,149,276	31,720,651	-	33,149,276	-	-
City and county municipal securities	26,152,079	24,816,028	-	26,152,079	-	-
Corporate debt securities (includes commercial paper)	75,685,837	75,019,271	-	75,685,837	-	-
Money-market funds	8,556,992	8,556,992	8,556,992	-	-	-
Other invested assets	-	-	-	-	-	-
Equity (including marketable common stock)	77,913,314	77,913,314	77,913,314	-	-	-
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 272,681,975	$ 268,662,095	$ 107,216,372	$ 165,465,603	$ -	$ -

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of $30,161,463 and $20,746,066 as of December 31, 2015 and December 31, 2014, respectively.

There are no U.S. Treasury securities included in U.S. government and agency securities in the fair value hierarchy tables as of December 31, 2015 or December 31, 2014.

There are no commercial paper investments included in corporate debt securities in the fair value hierarchy tables as of December 31, 2015 and 2014.

D. **Not Practicable to Estimate Fair Value** — Not applicable.

21. OTHER ITEMS

The ACA mandated that certain practicing PCPs were eligible to receive increased payments for specified primary care services provided to Medicaid eligible individuals. This was to encourage PCPs to serve the Medicaid population for the Medicaid expansion which occurred in 2014. This government mandate was for a two year period effective January 1, 2013 through December 31, 2014.

The ACA required that the managed care organizations (“MCO’s”) reimburse PCPs at a rate of no less than 100 percent of Medicare fee schedule rates for specified services. The Federal government financed the difference between the state Medicaid fee schedule rate and the corresponding Medicare fee schedule rate (“enhanced rate payment”) during calendar year 2014. The state in turn funded the enhanced rate payments to the MCO’s as part of an enhanced Medicaid capitation monthly premium or as a lump sum payment of the rate differential, depending on the model selected by each state and approved by CMS.

A. The Company did not encounter any extraordinary items for the years ended December 31, 2015 or 2014.

B. The Company has no troubled debt restructurings as of December 31, 2015 or 2014.

C. The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments.

D. The Company has not received any business interruption insurance recoveries during 2015 and 2014.

E. The Company has no transferrable or non-transferable state tax credits.

F. **Sub-Prime Mortgage-Related Risk Exposure**

(1) The investment policy for the Company limits investments in loan-backed securities, which includes sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered are rated NAIC rating of 1 or 2.

(2) The Company has no direct exposure through investments in sub-prime mortgage loans.

(3) Direct exposure through other investments is as follows:

2015

	Actual Cost	Book/ Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	$ 313,357	$ 340,265	$ 432,577	$ -
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investment in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	$ 313,357	$ 340,265	$ 432,577	$ -

2014

	Actual Cost	Book/ Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	$ 383,648	$ 411,962	$ 539,352	$ -
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investment in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	$ 383,648	$ 411,962	$ 539,352	$ -

(4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

G. The Company does not have any retained asset accounts for beneficiaries.

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through February 29, 2016, which is the date these statutory basis financial statements were available for issuance.

TYPE I — Recognized Subsequent Events

There are no events subsequent to December 31, 2015, that require recognition and disclosure.

TYPE II — Non-Recognized Subsequent Events

On December 9, 2015, the Company requested an extraordinary dividend of $75 million from the Department. On February 2, 2016, the Company received approval from the Department to pay an extraordinary dividend of $25 million which was recorded as an increase in liabilities as an aggregate write in and as a reduction to surplus within the Annual 2015 Statement of Revenue and Expenses. The Company paid this dividend to its parent, UHS, on February 4, 2016.

The Company is subject to the annual fee under Section 9010 of the ACA. This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. As of December 31, 2015, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016, and estimates its portion of the annual health insurance industry fee payable on September 30, 2016 to be $14,047,612. This amount is reflected in aggregate write-ins for special surplus funds. The Company's Authorized Control Level RBC ("ACL RBC") ratio was 526% as of December 31, 2015. Reporting the ACA assessment as a liability as of December 31, 2015 would not have triggered an RBC action level. The Department has not adopted the NAIC's risk based capital ("RBC") model as part of its minimum capital requirements.

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	
B. ACA fee assessment payable for the upcoming year	$ 14,047,612	$ 13,502,520
C. ACA fee assessment paid	13,484,710	8,782,191
D. Premium written subject to ACA 9010 assessment	789,961,695	704,922,212
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	147,152,178	160,742,586
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	133,104,566	147,240,066
G. Authorized Control Level (Five-Year Historical Line 15)	25,331,036	22,250,618
H. Would reporting the ACA assessment as of December 31, 2015, have triggered an RBC action level (YES/NO)?	NO	

There are no other events subsequent to December 31, 2015 that require disclosure.

23. REINSURANCE

Reinsurance Agreements — In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with affiliated (see Note 10) and other nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured**.**

The Company is subject to the reinsurance provisions for ACA compliant individual policies (see Note 24).

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 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 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

(1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2015.

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( ) No (X)

B. **Uncollectible Reinsurance** — During 2015 and 2014, there were no uncollectible reinsurance recoverables.

C. **Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2015 or 2014.

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

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A. The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.

B. Estimated accrued retrospective premiums due to (from) the Company are recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

C. The Company has Medicare Part D risk-corridor amounts from CMS which are subject to a retrospectively rated feature related to Part D premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The total amount of Medicare direct premiums written for which a portion is subject to redetermination features were $16,704,133 and $10,746,438 representing, 6% and 2% of total direct premiums written for 2015 and 2014, respectively.

D. The Company is required to maintain a specific minimum loss ratio on the comprehensive commercial and Medicare line of business. The following table discloses the minimum medical loss ratio rebate liability which is included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus for the years ended December 31, 2015 and 2014:

	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	$ (31)	$ (200)	$ 8,656	$ -	$ 8,424
(2) Medical loss ratio rebates paid	438	-	48,696	-	49,134
(3) Medical loss rebates unpaid	-	-	-	-	-
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	-
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	227,218	-	-	4,703,756	4,930,974
(8) Medical loss ratio rebates paid	-	-	-	-	-
(9) Medical loss rebates unpaid	227,218	-	-	4,703,756	4,930,974
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	136,331
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	4,794,643

The Company recorded $4,794,643 and $0 of estimated rebates as of December 31, 2015 and 2014 which are included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. .

E. Risk-Sharing Provisions of the Affordable Care Act

(1) The Company has accident and health insurance premiums in 2015 and 2014 subject to the risk- sharing provisions of the ACA.

The ACA imposes fees and premium stabilization provisions on health insurance issuers offering comprehensive commercial health insurance. The three premium stabilization programs are commonly referred to as the 3Rs **—** risk adjustment, reinsurance, and risk corridors.

Risk Adjustment — The permanent risk adjustment program, designed to mitigate the potential impact of adverse selection and provide stability for health insurance issuers, applies to all non-grandfathered plans not subject to transitional relief in the individual and small group markets both inside and outside of the insurance exchanges. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.

Reinsurance — The transitional reinsurance program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations. The transitional reinsurance program is effective from 2014 through 2016 and applies to all issuers of major medical commercial products and third-party administrators. Contributions attributable to enrollees in the ACA compliant individual plans, including program administrative costs, are accounted for as ceded premium and payments received are accounted for as ceded benefit recoveries. The portion of the individual contributions earmarked for the U.S. Treasury is accounted for as an assessment. Contributions made for enrollees in fully insured plans other than the ACA compliant individual plans, including program administrative costs and payments to the U.S. Treasury, are treated as assessments.

Risk Corridors — The temporary risk corridors program, designed to provide some aggregate protection against variability for issuers in the individual and small group markets during the period 2014 through 2016, applies to Qualified Health Plans in the individual and small group markets both inside and outside of the insurance exchanges. Premium adjustments pursuant to the risk corridors program are accounted for as premium adjustments for retrospectively rated contracts.

(2) The following table presents the current year impact of risk-sharing provisions of the ACA on assets, liabilities and operations.

a. Permanent ACA Risk Adjustment Program		**December 31, 2015**
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment	$	-
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		5,430
3. Premium adjustments payable due to ACA Risk Adjustment		3,833,815
Operations (revenue & expense)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		(4,934,474)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)		5,744
b. Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance	$	165,674
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)		22,371
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		-
Liabilities		
4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium		212,366
5. Ceded reinsurance premiums payable due to ACA Reinsurance		33,418
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance		-
Operations (revenue & expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance		33,418
8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments		188,045
9. ACA Reinsurance contributions—not reported as ceded premium		212,366
c. Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premium due to ACA Risk Corridors	$	14
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		695,134
Operations (revenue & expense)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		83
4. Effect of ACA Risk Corridors on change in reserves for rate credits		(730,094)

(3) The following table is a rollforward of the prior year ACA risk-sharing provisions for asset and liability balances, along with reasons for adjustments to prior year balances.

	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		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium Adjustment Receivable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	A	$ -	$ -
2. Premium Adjustment (Payable)	-	-	-	(1,100,658)	-	1,100,658	-	(1,100,658)	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	-	-	(1,100,658)	-	1,100,658	-	(1,100,658)		-	-
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	-	-	-	-	-	-	-	-	C	-	-
2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium	-	(140,448)	-	(140,448)	-	-	-	-	F	-	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	-	(140,448)	-	(140,448)	-	-	-	-		-	-
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	34,974	-	83	-	34,891	-	(34,878)	-	I	13	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	-
3. Subtotal ACA Risk Corridors Program	34,974	-	83	-	34,891	-	(34,878)	-		13	-
d. Total for ACA Risk-Sharing Provisions	$ 34,974	$ (140,448)	$ 83	$ (1,241,106)	$ 34,891	$ 1,100,658	$ (34,878)	$ (1,100,658)		$ 13	$ -

Explanation of Adjustments

A. N/A
B. The risk adjustment factor payable as of December 2014 was reported based on estimated state risk transfer factors by risk pool utilizing paid claims data through October 31, 2014. The adjustments reflect true-ups based on the CMS final summary report for the benefit year 2014 and reflect the balance in accordance with the CMS cash settlement process at the state and market level.
C. N/A
D. N/A
E. N/A
F. N/A
G. N/A
H. N/A
I. The reduction in the accrued retrospective premium receivable was driven by adjustments in the calculation of the Allowable Costs and Target Amounts due to the inclusion of 3 additional months of run-out on claims and premium retroactivity as well as the inclusion of the final HHS Risk Adjustment and Reinsurance Program transfer amounts. Additionally, the remaining receivable was adjusted down to 12.6% of the amount submitted for payment by issuers due to the expected payout levels communicated by HHS.
J. N/A

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care receivable and reinsurance recoverables for the years ended December 31, 2015 and 2014:

	2015		
	Current Year Incurred Claims	**Prior Years Incurred Claims**	**Total**
Beginning of year claim reserve	$ -	$ (107,686,686)	$ (107,686,686)
Paid claims—net of health care receivable and reinsurance recoveries collected	551,692,327	64,726,540	616,418,867
End of year claim reserve	110,825,524	22,225,587	133,051,111
Incurred claims excluding the change in health care receivable and reinsurance recoverables as presented below	662,517,851	(20,734,559)	641,783,292
Beginning of year health care receivable and reinsurance recoverables	-	20,050,279	20,050,279
End of year health care receivable and reinsurance recoverables	(20,952,306)	(4,107,947)	(25,060,253)
Total incurred claims	$ 641,565,545	$ (4,792,227)	$ 636,773,318

	2014		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	$ -	$ (70,670,912)	$ (70,670,912)
Paid claims—net of health care receivable and reinsurance recoveries collected	494,024,802	40,917,834	534,942,636
End of year claim reserve	105,064,596	2,622,090	107,686,686
Incurred claims excluding the change in health care receivable and reinsurance recoverables as presented below	599,089,398	(27,130,988)	571,958,410
Beginning of year health care receivable and reinsurance recoverables	-	17,300,483	17,300,483
End of year health care receivable and reinsurance recoverables	(13,851,126)	(6,199,153)	(20,050,279)
Total incurred claims	$ 585,238,272	$ (16,029,658)	$ 569,208,614

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, net of health care receivable, and reinsurance recoverables as of December 31, 2014 was $87,636,407. As of December 31, 2015 $64,726,540 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care receivable and reinsurance recoverables are now $18,117,640, as a result of re-estimation of unpaid claims. Therefore, there has been $4,792,227 favorable prior year development since December 31, 2014 to December 31, 2015. The primary drivers consist of favorable development as a result of a change in the provision for adverse deviations in experience of $2,890,040, favorable development of $2,580,270 in retroactivity for inpatient, outpatient, physician, and pharmacy claims; partially offset by unfavorable development of $488,048 in reinsurance and unfavorable development of $136,311 in pharmacy rebates. At December 31, 2014, the Company recorded $16,029,658 of favorable development as a result of a change in the provision for adverse deviations in experience of $11,752,705 and by favorable development of $3,711,021 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. Original estimates are increased or decreased, as additional information becomes known regarding individual claims, including the medical loss ratio rebate accrual. Included in this favorable development is the impact related to retrospectively rated policies, which also has a corresponding impact on medical loss ratio rebates. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

The Company incurred claims adjustment expenses of $33,925,904 and $24,246,067 in 2015 and 2014, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of its management agreement (see Note 10). The following tables disclose paid CAE, incurred CAE, and the balance in the unpaid claim adjustment expenses reserve for 2015 and 2014:

	2015	2014
Total claims adjustment expenses	$ 33,925,904	$ 24,246,067
Less current year unpaid claims adjustment expenses	(800,248)	(651,048)
Add prior year unpaid claims adjustment expenses	651,048	865,366
Total claims adjustment expenses paid	$ 33,776,704	$ 24,460,385

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2015 or 2014.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2015 or 2014.

28. HEALTH CARE AND OTHER AMOUNTS RECEIVABLE

A. Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted all pharmacy rebates receivable that do not meet the admissibility criteria of SSAP No. 84, *Certain Health Care Receivables and Receivables under Government Insured Plans* (“SSAP No. 84”) from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria of SSAP No. 84, the transaction of pharmacy rebate history is summarized as follows:

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	$ 5,089,774				
9/30/2015	5,088,666	4,743,407	3,030,839		
6/30/2015	5,368,266	5,099,732	3,650,050	1,055,516	
3/31/2015	4,351,366	4,073,280	2,779,913	916,279	355,006
12/31/2014	2,948,805	2,892,547	1,919,244	724,754	205,080
9/30/2014	3,165,712	3,110,056	2,175,217	706,815	181,142
6/30/2014	2,862,534	2,920,285	1,966,661	506,017	439,446
3/31/2014	2,622,949	2,621,844	1,714,996	589,044	307,657
12/31/2013	3,301,407	3,173,839	2,486,163	428,021	246,076
9/30/2013	3,283,916	3,228,191	2,343,071	602,707	264,940
6/30/2013	2,854,001	2,936,636	2,185,670	526,052	223,271
3/31/2013	2,644,142	2,731,323	1,908,830	676,665	143,601

Of the amount reported as health care and other amounts receivable, $6,745,686 and $4,300,227 relates to pharmacy rebates receivable as of December 31, 2015 and 2014, respectively. This increase is primarily due to increased membership along with the change in generic/name brand mix.

The Company also admitted approximately $8,600,992 and $9,773,203 for receivables from the State of Rhode Island for estimated risk share receivables in 2015 and 2014, respectively, which are included in health care and other amounts receivable in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

In addition, the Company also admitted $5,367,055 and $456,300 for receivables from the State of Rhode Island for the stop loss program in 2015 and 2014, respectively, which are included in health care and other amounts receivable in the statutory basis statements of admitted assets, liabilities, and capital and surplus. This increase is primarily related to Rhode Island Hepatitis C payments.

The Company also admitted $456,045 and $1,890,823 for provider overpayments receivables as of December 31, 2015 and 2014, respectively.

B. The Company does not have any risk-sharing receivables.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2015 or 2014.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2015 or 2014. The analysis of premium deficiency reserves was completed as of December 31, 2015 and 2014. The Company did consider anticipated investment income when calculating the premium deficiency reserves.

The following table summarizes the Company's premium deficiency reserves as of December 31, 2015 and 2014:

	2015
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2015
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

	2014
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2014
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2015 and 2014, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

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? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Rhode Island

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. 12/31/2014

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/31/2011

3.4 By what department or departments?
Rhode Island Department of Business Regulations

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

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

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

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

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

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,
7.21 State the percentage of foreign control; %
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 or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

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 [X] No [ ]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal 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
Optum Bank, Inc.	Salt Lake City, UT	NO	NO	YES	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, Minneapolis, MN

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

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

10.3 Has the insurer been granted any exemptions related to 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 the response to 10.3 is yes, provide information related to this exemption:

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

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

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?
Allen J. Sorbo
Vice President, Corporate Chief Actuary
UnitedHealth Group
4 Research Drive
Shelton, CT 06484
United States

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

12.13 Total book/adjusted carrying value $

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 [ ]

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

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

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 [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Minor updates were made to the Code in Q4 2015.

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).

GENERAL INTERROGATORIES

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

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 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 $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal Only) $

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $
- 20.22 To stockholders not officers $
- 20.23 Trustees, supreme or grand (Fraternal Only) $

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 $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

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

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $ 13,692,057
- 22.23 Other amounts paid $

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 343,207

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)

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

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

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

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

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

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

GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as 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 $

25.22 Subject to reverse repurchase agreements $

25.23 Subject to dollar repurchase agreements $

25.24 Subject to reverse dollar repurchase agreements $

25.25 Placed under option agreements $

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

25.27 FHLB Capital Stock $

25.28 On deposit with states $ 1,226,449

25.29 On deposit with other regulatory bodies $

25.30 Pledged as collateral - excluding collateral pledged to an FHLB $

25.31 Pledged as collateral to FHLB - including assets backing funding agreements $

25.32 Other $

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 [ ]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $

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

28.01 For 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
Bank of New York Mellon	Global Liquidity Services, 1 Wall St. 14th Floor, New York, NY 10286
Northern Trust	50 S. LaSalle, Chicago, IL 60675

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

28.04 If yes, give full and complete information relating thereto:

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

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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
107038	JPMorgan Investment Management Inc.	245 Park Avenue, New York, NY 10167
104518	Deutsche Investment Management Americas Inc.	345 Park Avenue, New York, NY 10154

GENERAL INTERROGATORIES

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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	204,208,977	205,913,813	1,704,837
30.2 Preferred stocks	0	0	0
30.3 Totals	204,208,977	205,913,813	1,704,837

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

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from HUB which is an external data sources vendor. Hub utilizes various pricing sources.

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 [ ] No [X]

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 [ ] No [ ]

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

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 0

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

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? $ 0

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

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

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

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 $

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	775,873,818	690,879,189
2.2	Premium Denominator	775,873,818	690,879,189
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	144,359,599	107,723,431
2.5	Reserve Denominator	144,359,599	107,723,431
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical $ 0

5.32 Medical Only $ 0

5.33 Medicare Supplement $ 0

5.34 Dental & 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:

Hold harmless clauses in provider agreements and continuation of coverage endorsements in reinsurance agreements.

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

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 30,852

8.2 Number of providers at end of reporting year 45,542

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

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months $

9.22 Business with rate guarantees over 36 months $

GENERAL INTERROGATORIES

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

10.2 If yes:

10.21 Maximum amount payable bonuses	$	2,829,847
10.22 Amount actually paid for year bonuses	$	3,568,417
10.23 Maximum amount payable withholds	$	0
10.24 Amount actually paid for year withholds	$	0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]
11.13 An Individual Practice Association (IPA), or, Yes [ ] No [X]
11.14 A Mixed Model (combination of above)? Yes [ ] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No [ ]
11.3 If yes, show the name of the state requiring such minimum capital and surplus. Rhode Island
11.4 If yes, show the amount required. $ 69,660,349
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]
11.6 If the amount is calculated, show the calculation
The amount is 275% of the ACL

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

1 Name of Service Area
UnitedHealthcare of New England is licensed statewide in Rhode Island and Massachusetts for all lines of business. Additionally, the Medicare and Retirement line of business is licenced to operate in Bristol County in Massachusetts; Berks and Bucks Counties in Pennsylvania; and Windham and Windsor Counties in Vermont.

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

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

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

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

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [ ] No [ ] N/A [X]
14.2 If the answer to 14.1 is yes, please provide the following:

1 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 $
15.2 Total Incurred Claims $
15.3 Number of Covered Lives

*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 gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

FIVE-YEAR HISTORICAL DATA

		1 2015	2 2014	3 2013	4 2012	5 2011
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	363,879,319	314,932,410	230,857,665	245,699,021	223,806,371
2.	Total liabilities (Page 3, Line 24)	216,727,141	154,189,824	106,365,828	105,554,880	86,649,200
3.	Statutory minimum capital and surplus requirement	69,660,349	61,189,199	56,812,808	53,031,003	42,447,185
4.	Total capital and surplus (Page 3, Line 33)	147,152,178	160,742,586	124,491,837	140,144,141	137,157,171
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	768,507,753	691,474,080	587,469,998	568,775,350	459,779,148
6.	Total medical and hospital expenses (Line 18)	636,773,318	569,208,614	537,123,100	499,522,975	394,660,992
7.	Claims adjustment expenses (Line 20)	33,925,904	24,246,067	21,334,840	16,339,965	13,044,430
8.	Total administrative expenses (Line 21)	53,702,329	45,849,999	36,404,326	33,293,116	40,357,827
9.	Net underwriting gain (loss) (Line 24)	44,106,202	55,073,412	(10,002,151)	19,325,166	32,052,899
10.	Net investment gain (loss) (Line 27)	5,193,024	4,601,585	5,506,364	5,404,761	6,334,257
11.	Total other income (Lines 28 plus 29)	(228,325)	(66,768)	279,638	(156,826)	(8,977)
12.	Net income or (loss) (Line 32)	27,515,049	36,672,417	(2,841,188)	16,742,076	33,126,505
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	49,512,520	87,074,471	(2,284,097)	21,279,316	20,729,078
	Risk-Based Capital Analysis					
14.	Total adjusted capital	147,152,178	160,742,586	124,491,837	140,144,141	137,157,171
15.	Authorized control level risk-based capital	25,331,036	22,250,618	20,659,206	19,284,001	15,435,340
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	114,216	98,164	82,392	80,027	70,651
17.	Total members months (Column 6, Line 7)	1,337,201	1,124,016	989,309	955,121	861,476
	Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18.	Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19.	Total hospital and medical plus other non-health (Lines 18 plus Line 19)	82.9	82.3	91.4	87.8	85.8
20.	Cost containment expenses	2.3	1.7	1.8	1.8	2.0
21.	Other claims adjustment expenses	2.1	1.8	1.8	1.1	0.9
22.	Total underwriting deductions (Line 23)	94.3	92.0	101.7	96.6	93.0
23.	Total underwriting gain (loss) (Line 24)	5.7	8.0	(1.7)	3.4	7.0
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	83,845,506	38,291,032	46,995,592	35,324,507	28,134,566
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	88,637,733	54,320,689	53,797,208	43,498,624	38,185,999
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					0
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0		0		
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					0
29.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30.	Affiliated mortgage loans on real estate					
31.	All other affiliated					
32.	Total of above Lines 26 to 31	0	0	0	0	0
33.	Total investment in parent included in Lines 26 to 31 above.					

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

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, 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							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	L	8,389	77,088,194					77,096,583	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	L		0					0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	L		3,148,606					3,148,606	
40. Rhode Island RI	L	22,541,575	182,356,723	508,358,486				713,256,784	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	L		783,279					783,279	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	22,549,964	263,376,802	508,358,486	0	0	0	794,285,252	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 5	22,549,964	263,376,802	508,358,486	0	0	0	794,285,252	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(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.

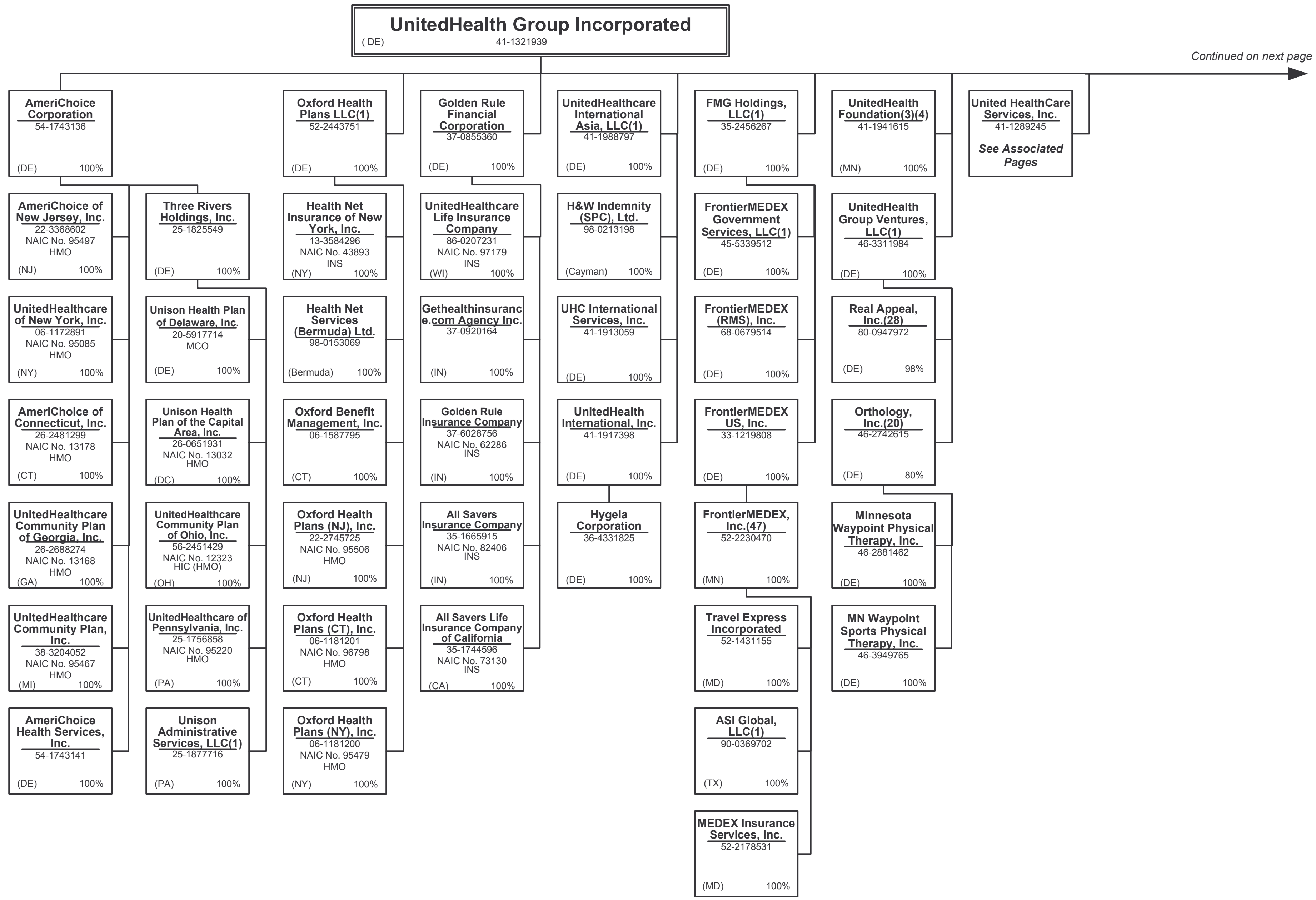
Explanation of basis of allocation by states, premiums by state, etc.

Premiums are allocated by state based on geographic market.

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

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

PART 1 – ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE UnitedHealthcare of New England, Inc.

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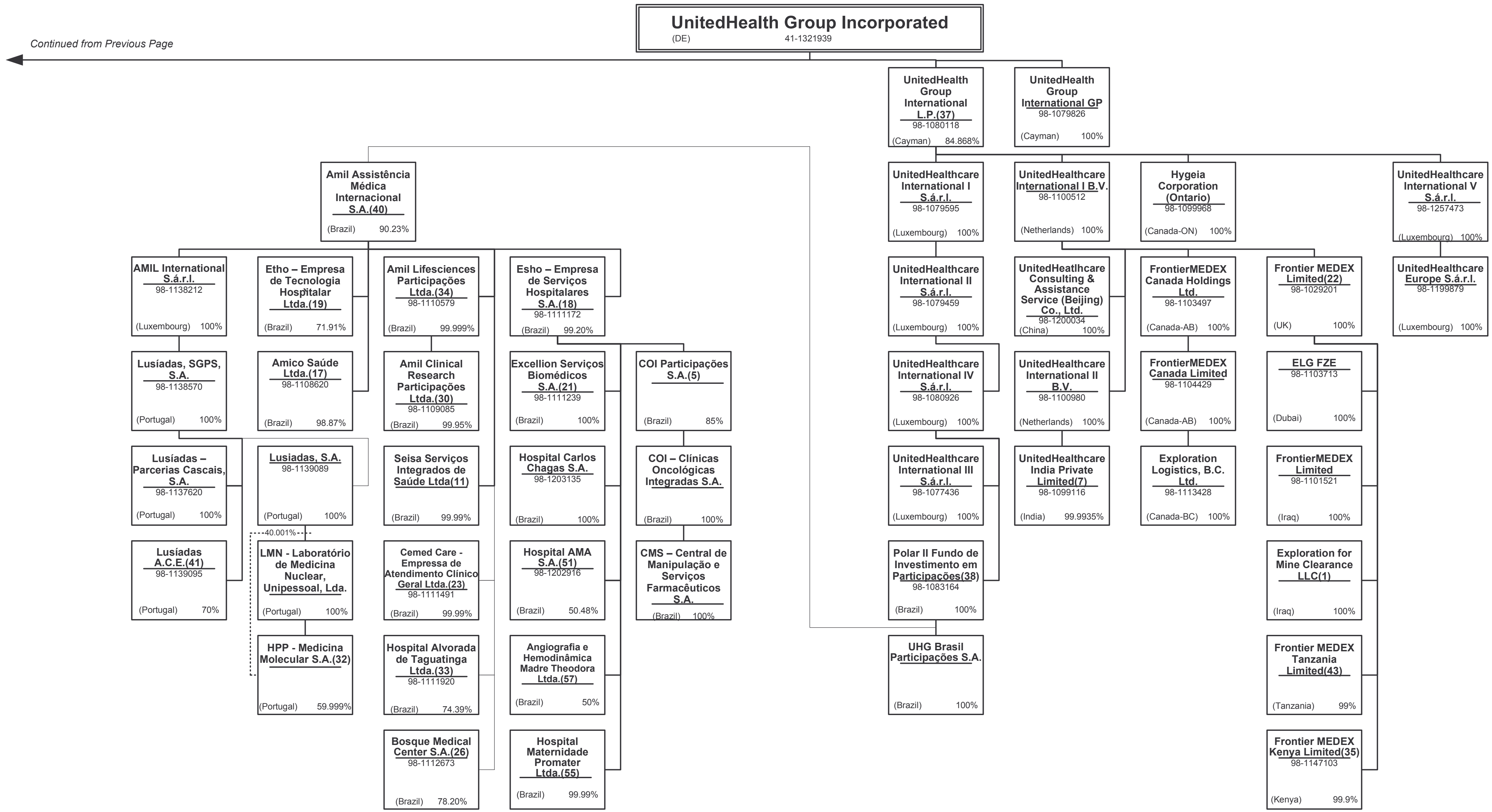
PART 1 – ORGANIZATIONAL CHART



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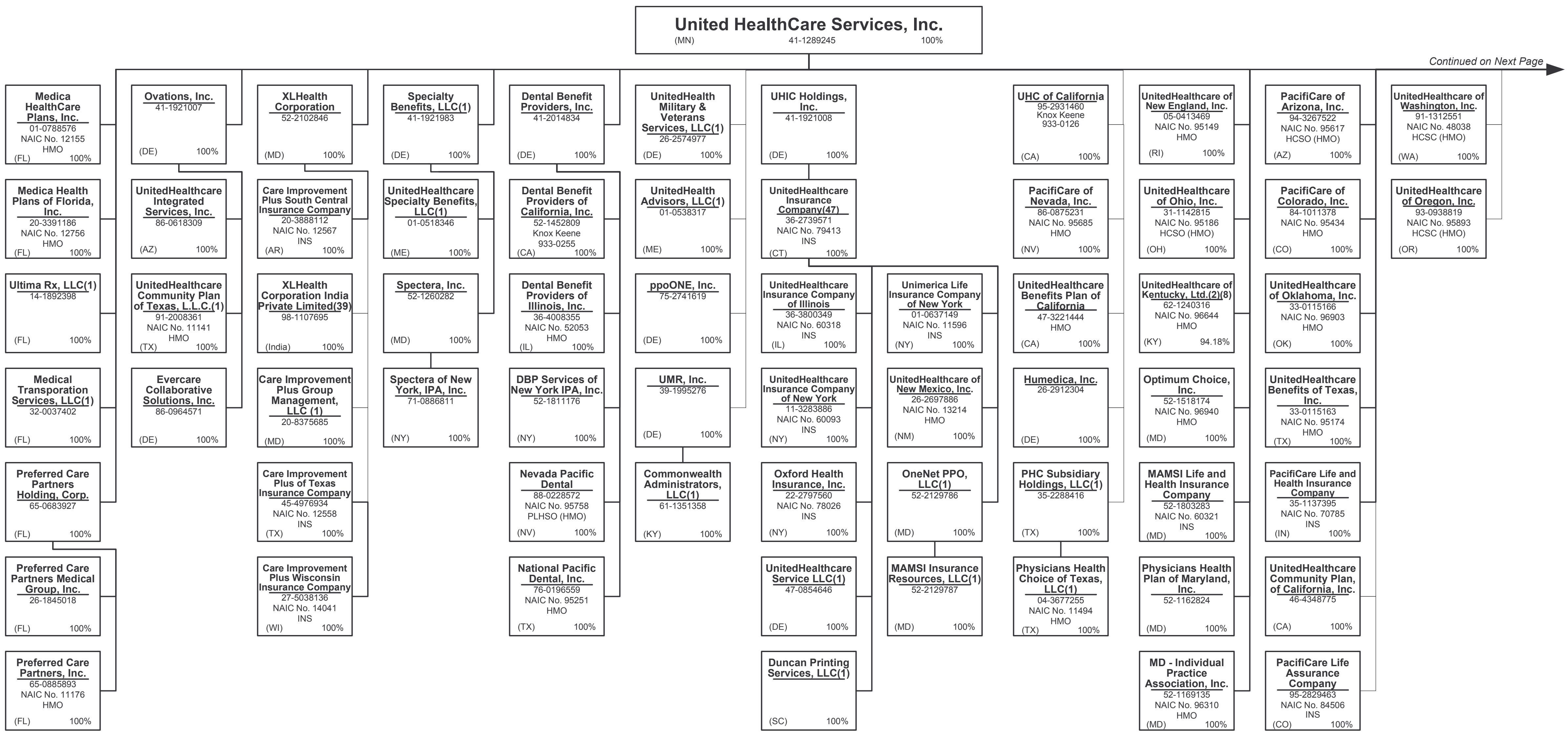

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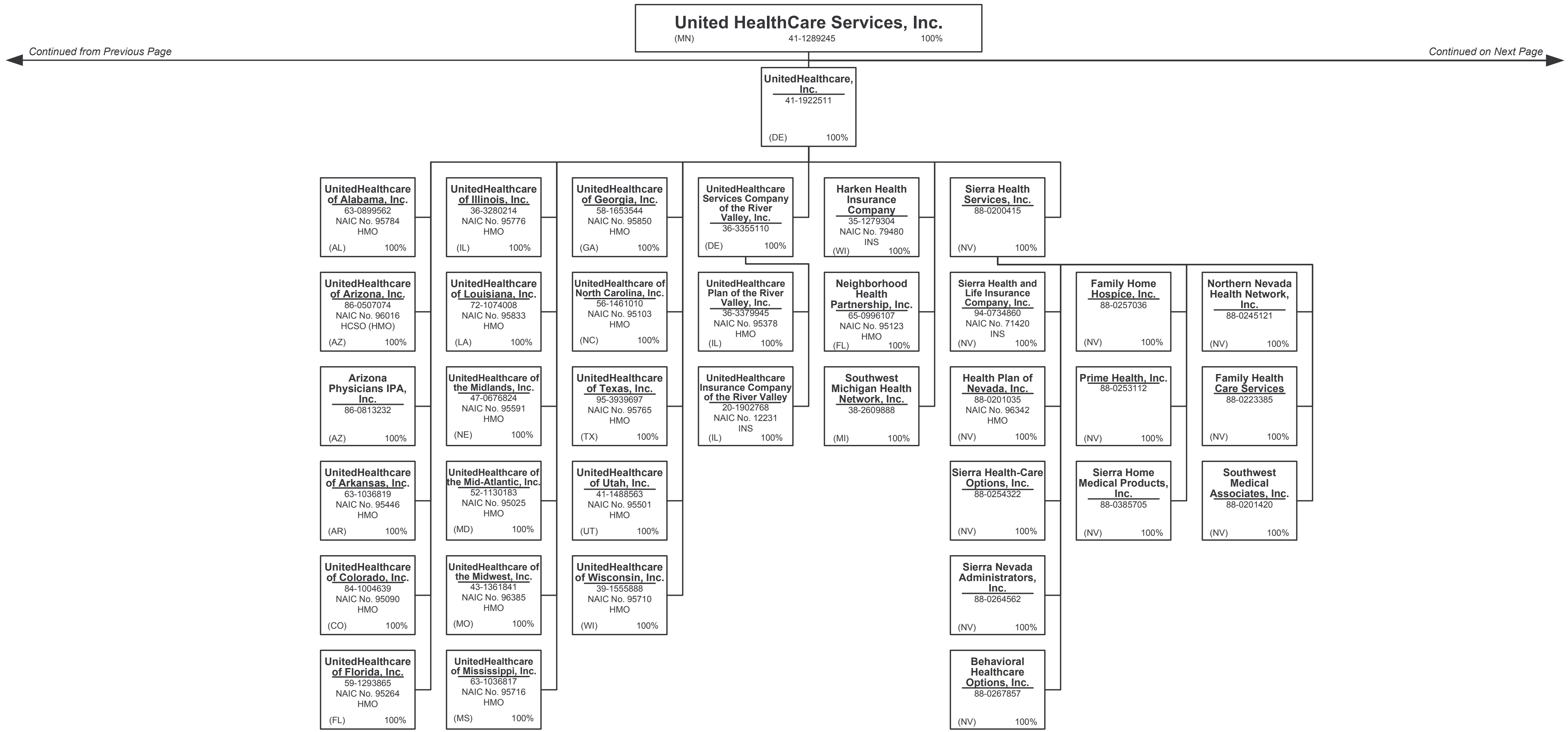

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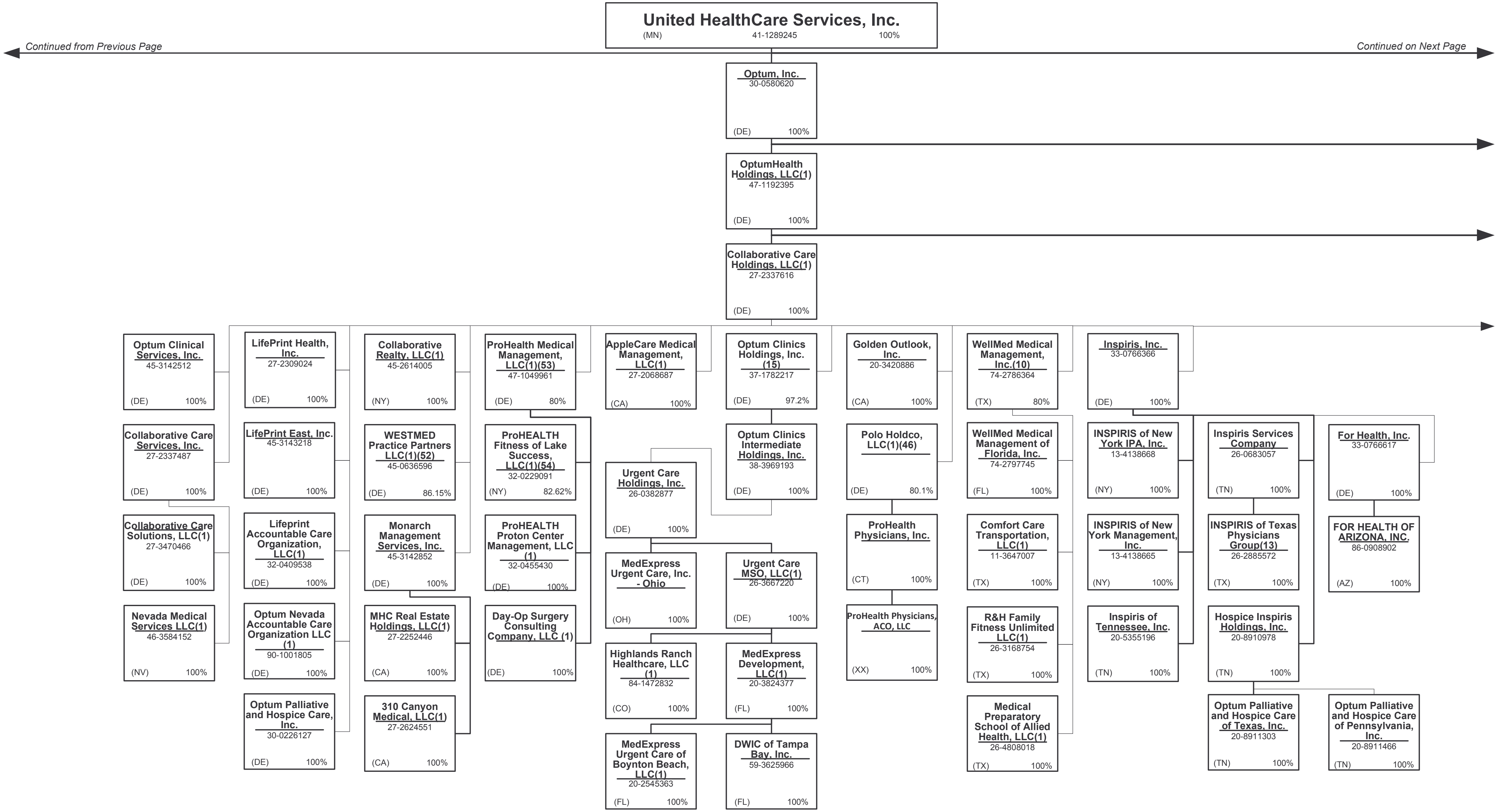

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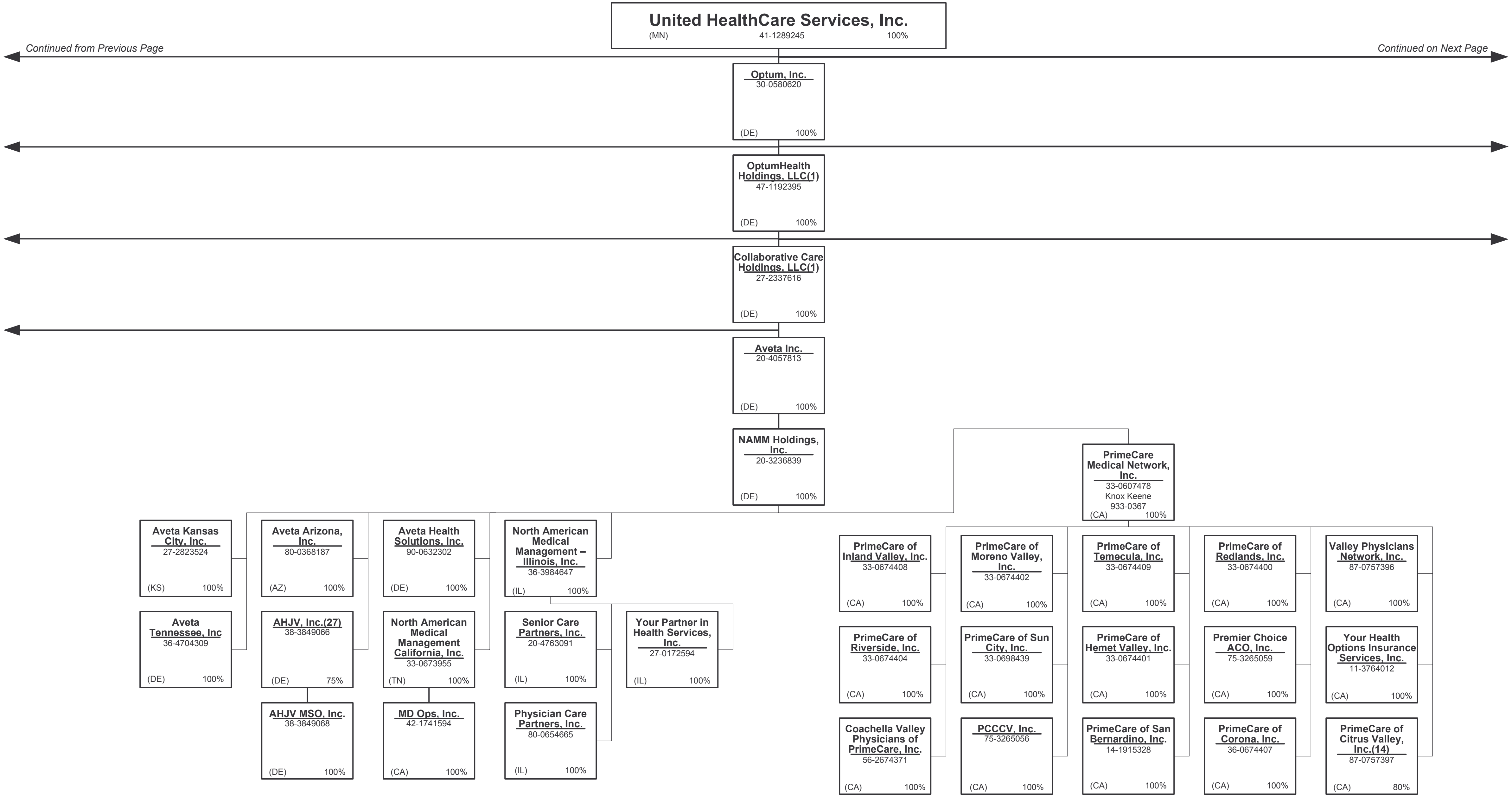

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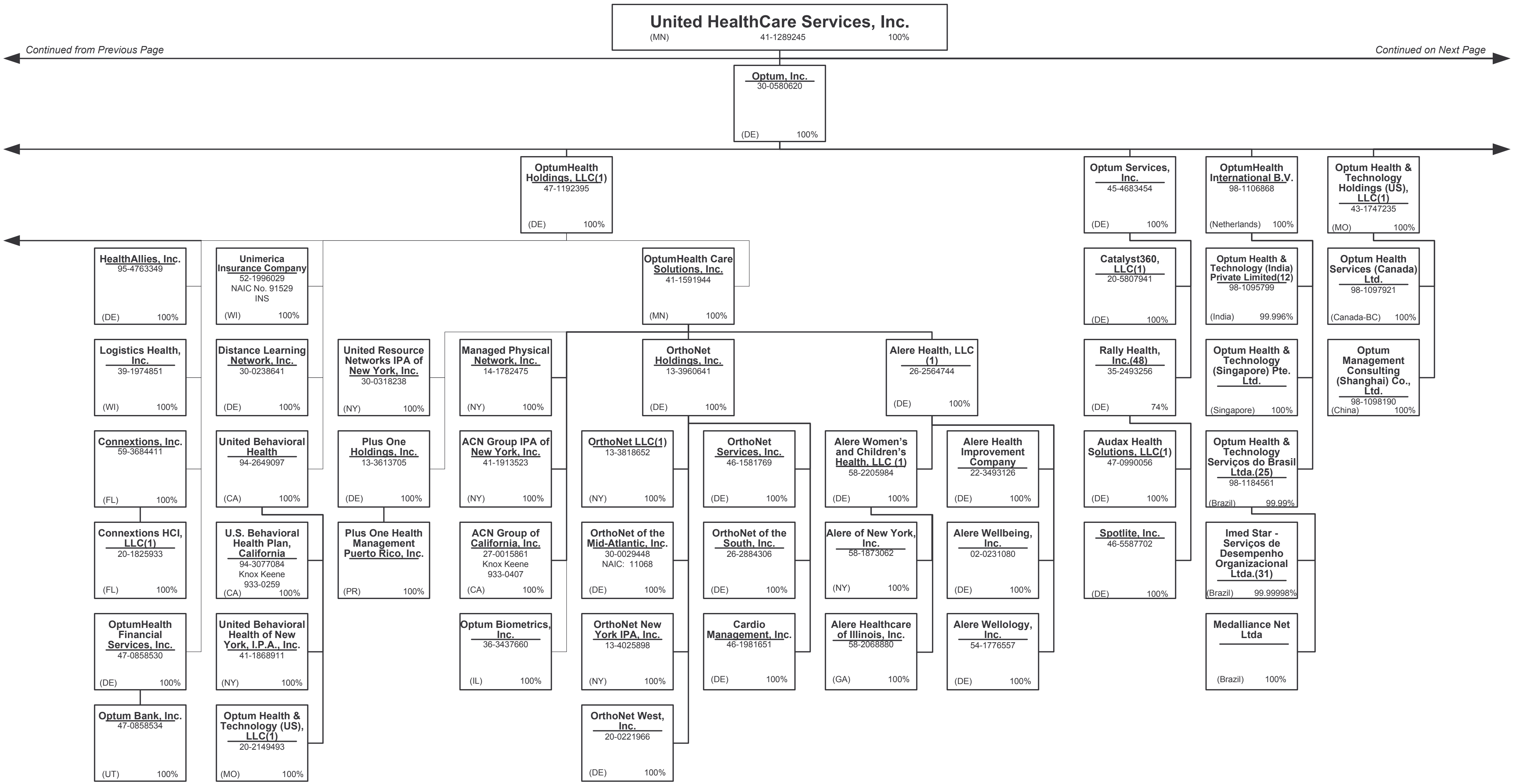

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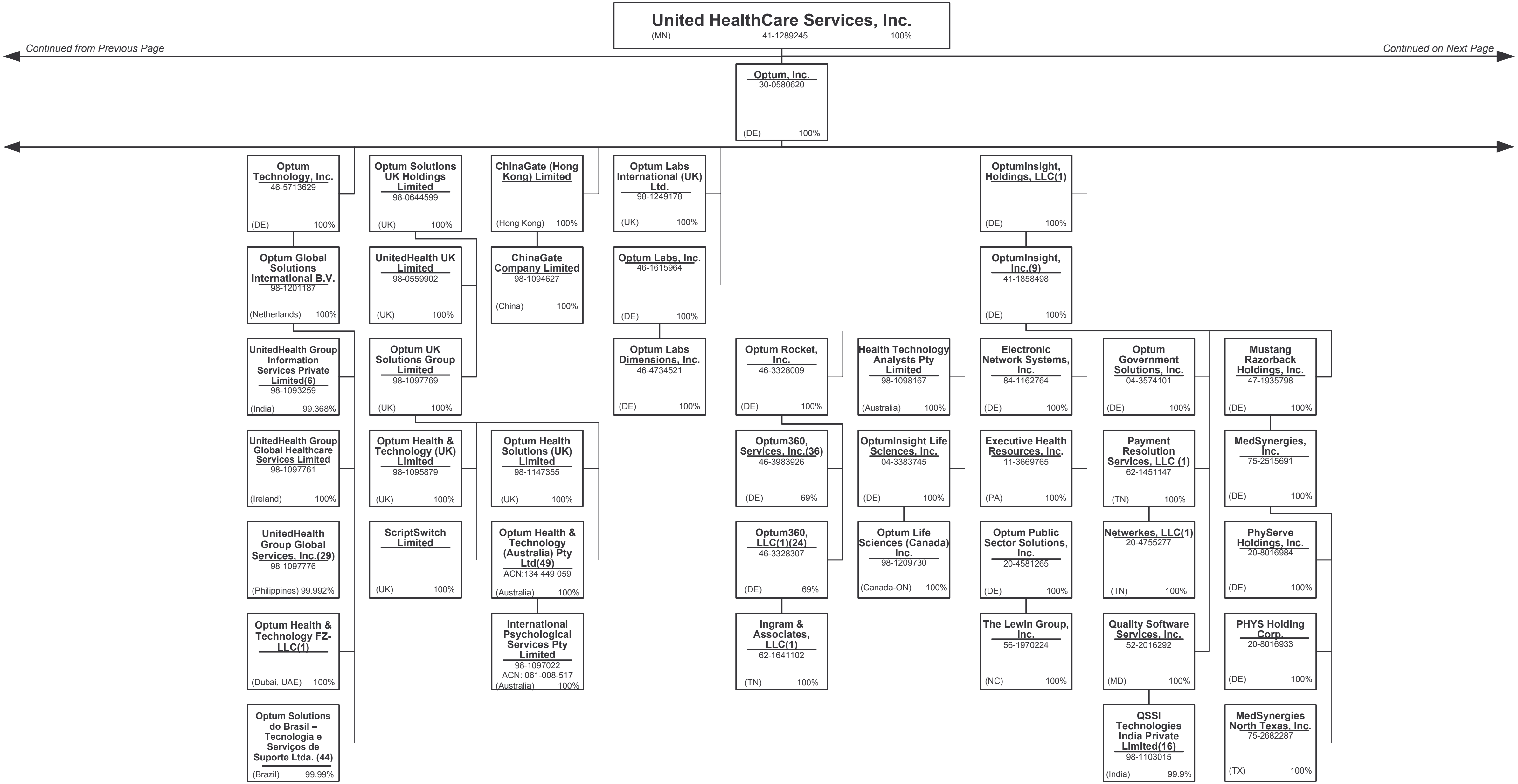

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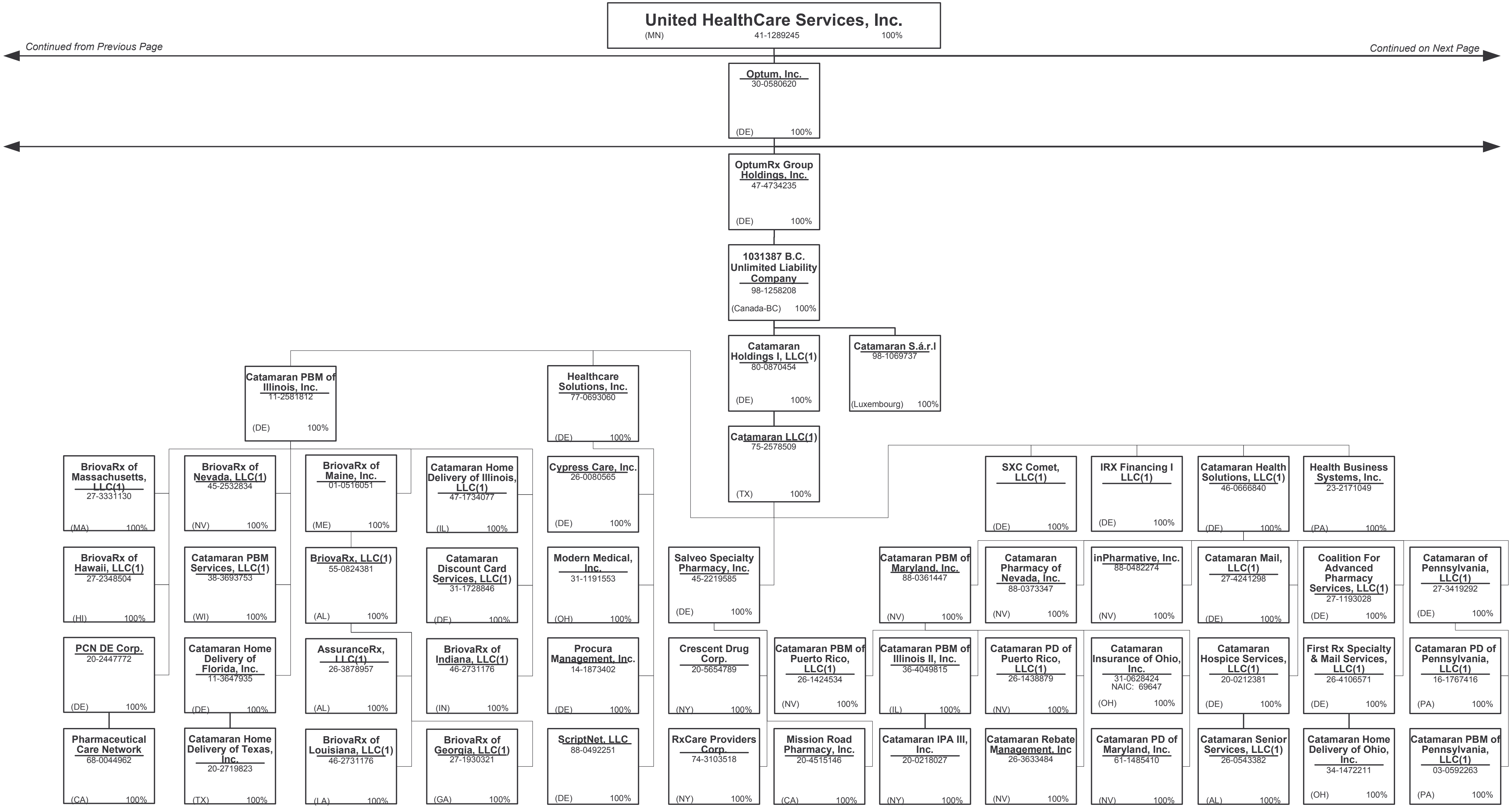

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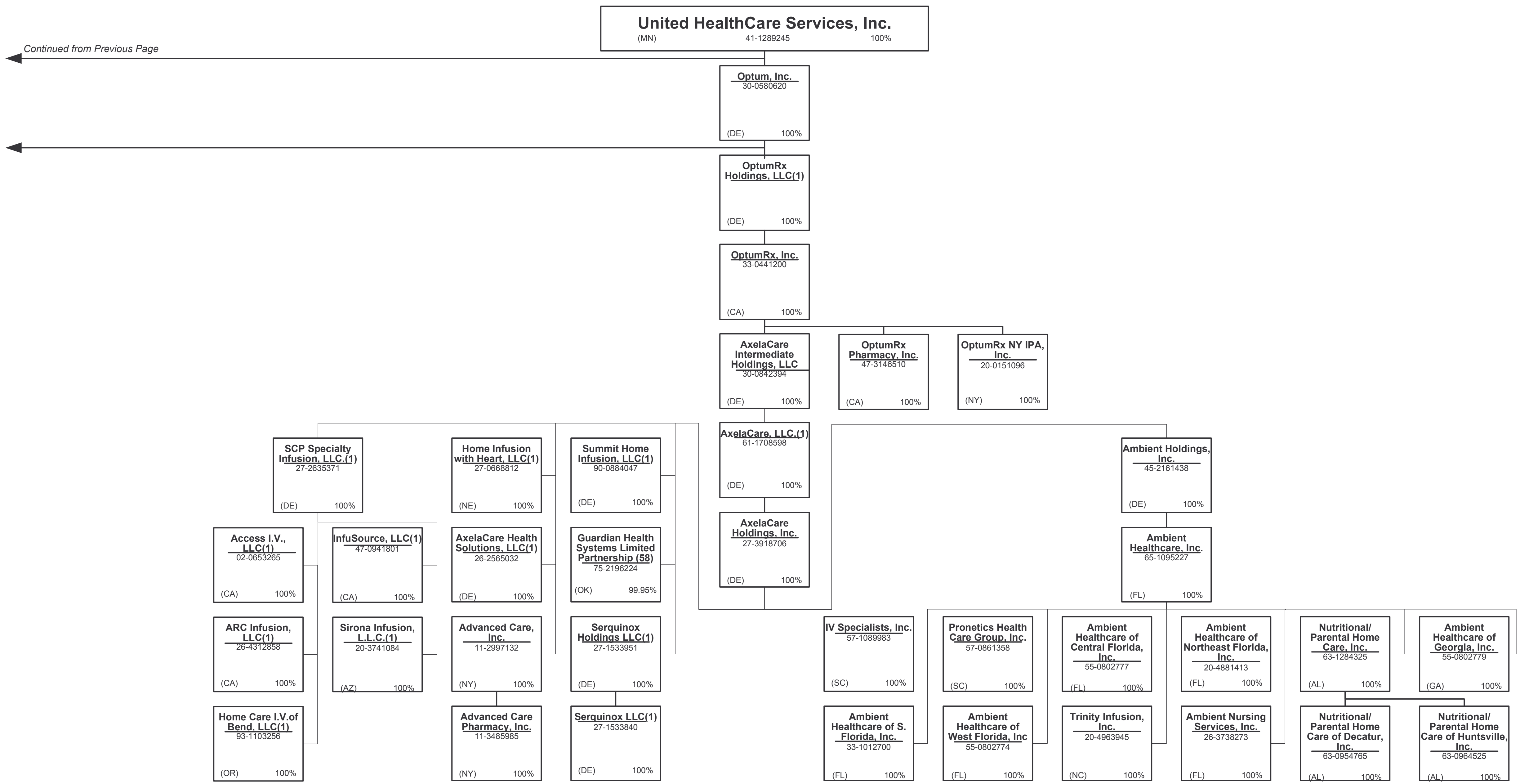
PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) COI Participações S.A. is 85% owned by Etho – Empresa de Technologia Hospitalar Ltda and 15% owned by COIPAR Participações S.A.

(6) UnitedHealth Group Information Services Private Limited is 99.368% owned by Optum Global Solutions International B.V. The remaining 0.632% is owned by UnitedHealth International, Inc.

(7) UnitedHealthcare India Private Limited is 99.9935% owned by UnitedHealthcare International II B.V. and 0.0065% owned by UnitedHealth International, Inc.

(8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.

(9) Branch office located in Abu Dhabi, UAE.

(10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.

(11) Seisa Serviços Integrados de Saúde Ltda is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.000008% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.

(12) Optum Health & Technology (India) Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.

(13) INSPIRIS of Texas Physicians Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.

(14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.

(15) Optum Clinics Holdings, Inc. is 97.2% owned by Collaborative Care Holdings, LLC and 2.8% is owned by external shareholders.

(16) QSSI Technologies India Private Limited is 99.9% owned by Quality Software Services, Inc. and 0.1% owned by an Indian citizen.

(17) Amico Saúde Ltda. is 98.87947% owned by Amil Assistência Médica Internacional S.A. and 0.1.12053% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.

(18) Esho – Empresa de Serviços Hospitalares S.A. is 99.206059% owned by Amil Assistência Médica Internacional S.A.; 0.034900% owned by Treasury Shares and .759041% owned by external shareholders.

(19) Etho – Empresa de Technologia Hospitalar Ltda. 71.91% owned by Amil Assistência Médica Internacional S.A.and 28.08% owned by an external shareholder.

(20) Orthology, Inc. is 80% owned by UnitedHealth Group Ventures, LLC and 20% owned by external shareholders.

(21) Excellion Serviços Biomédicos S.A.is 100% owned by Esho – Empresa de Serviços Hospitalares S.A

(22) Branch offices in Iraq and Uganda.

(23) Cemed Care Empressa de Atendimento Clínico Geral Ltda. Is 99.999999% owned by Amil Assistência Médica Internacional S.A. and 0.000001% owned by Amico Sáude Ltda.

(24) Optum 360, LLC is 69% owned by Optum Rocket, Inc; the remaining 31% is owned by external holders.

(25) Optum Health & Technology Serviços do Brasil Ltda. is 99.9961% owned byOptumHealth International B.V. and .0039% owned by OptumInsight, Inc.

(26) Bosque Medical Center S.A. is 78.2049803% owned by Amil Assistência Médica Internacional S.A.and 21.7950197% owned by Etsho – Empresa de Servicos Hospitalarea S.A.

(27) AHJV, Inc. is 75% owned by NAMM Holdings, Inc. and 25% owned by Humana, Inc.

(28) Real Appeal, Inc. is majority-owned by UHG or one of its affiliates and the remaining 2% is owned by Real Appeal Management.

(29) UnitedHealth Group Global Services, Inc. is 99.992% owned by Optum Global Solutions International B.V., and the remaining 0.008% is held by the company's directors.

(30) Amil Clinical Research Participações Ltda. is 99.95% owned by Amil Lifesciences Participações Ltda. and 0.05% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.

(31) Imed Star Serviços de Desempenho Organizacional Ltda.is 99.99998% owned by Optum Health & Technology Serviços do Brasil Ltda and 0.00002% owned by UHG Brasil Participações S.A.

(32) HPP – Medicina Molecular, S.A. is 59.99852% owned by LMN - Laboratórios de Medicina Nuclear, Unipessoal, Lda. And 40.00148% owned by Lusíadas, S.A. and 5% by an officer of Amil.

(33) Hospital Alvorada Taguatinga Ltda.is 74.39679% owned by Amil Assistência Médica Internacional S.A, 25.60321% by Bosque Medical Center S.A.

(34) Amil Lifesciences Participações Ltda. Is 99.99966% owned by Amil Assistência Médica Internacional S.A and 0.00034% owned by Cemed Care Empressa de Atendimento Clinico Geral Ltda.

(35) Frontier MEDEX Kenya Limited is 99.9% owned by FrontierMEDEX Limited and 0.1% owned by UnitedHealthcare International I B.V.

(36) Optum360 Services, Inc. is 69% owned by Optum Rocket, Inc.; and the remaining 31% is owned by external shareholders.

(37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (14.8145%), Hygeia Corporation (DE) (0.2012%) and UnitedHealth Group Incorporated (84.9843%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P.

Important note: Under Federal Exchange regulations, any change in ownership of a QHP (Qualified Health Plan) issuer or any of its parent entities requires advance notice to HHS. Please contact LCRA Corporate Governance for detail

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

PART 1 – ORGANIZATIONAL CHART

Notes

(38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.

(39) XLHealth Corporation India Private Limited is 99.999% held by XLHealth Corporation and 0.001% is held by an officer of the Corporation.

(40) Amil Assistência Médica Internacional S.A. is 90.23% owned by Polar II Fundo de Investimento em Participações and the remaining 9.77% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.

(41) Lusíadas A.C.E. is 70% owned by Lusíadas, SGPS, S.A., 10% owned by Lusíadas – Parcerias Cascais, S.A., and 20% owned by Lusiadas, S.A.

(42) TBD

(43) Frontier MEDEX Tanzania Limited is 99% owned by Frontier MEDEX Limited. The remaining 1% is owned by a former officer of Frontier MEDEX Limited and is being transferred to UnitedHealthcare International I BV.

(44) Optum Solutions do Brasil – Tecnologia e Serviços de Suporte Ltda., is 99.999996% owned by Optum Global Solutions International B.V.and 0.000004% owned by OptumHealth International B.V.

(45) TBD

(46) Polo Holdco, LLC is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% being owned by an outside third party.

(47) Representative office in Beijing, China.

(48) The remaining 26% is owned by internal and external investors.

(49) Branch office located in Hong Kong.

(50) Dental Center Serviços Odontológicos Ltda. is 100% owned by Seisa Servicos Integrados de Sáude Ltda.

(51) Hospital AMA S.A. is 50.48% owned by Esho – Empresa de Serviços Hospitalares S.A. and 49.52% owned by Seisa Serviços Integrados de Saúde Ltda.

(52) WESTMED Practice Partners LLC is 86.15% owned by Collaborative Care Holdings, LLC and 13.85% owned by external shareholders.

(53) ProHealth Medical Management, LLC is 80% owned by Collaborative Care Holdings, LLC and 20% owned by an external shareholder.

(54) PROHEALTH FITNESS OF LAKE SUCCESS, LLC IS 82.62% owned by ProHealth Medical Management, LLC and 17.38% by an external shareholder.

(55) Hospital Maternidade Promater Ltda is 99.99% owned by Esho – Empresa de Servicos Hospitalares S.A. and 0.00006% owned by Seisa Serviços Integrados de Saúde Ltda.

(56) Hospital Geral e Maternidade Madre Maria Theodora Ltda. is 99.9999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00001% owned by Cemed Care Empressa de Atendimento Clínico Geral Ltda.

(57) Angiografia e Hemodinâmica Madre Theodora Ltda. Is 50% owned by Esho – Empresa de Servicos Hospitalares S.A. and 50% owned by 28 individual partners.

(58) Guardian Health Systems Limited Partnership is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by AxelaCare Health Solutions, LLC.

Important note: Under Federal Exchange regulations, any change in ownership of a QHP (Qualified Health Plan) issuer or any of its parent entities requires advance notice to HHS. Please contact LCRA Corporate Governance for detail

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. Miscellaneous Losses	3,975	3,964	13,864		21,803
2505. Professional Fees\Consulting	85,997	85,764	129,085		300,846
2506. Sundry General Expenses	514,334	512,942	885,271		1,912,547
2507. Reimbursement of Expenses from Reinsurers			(2,956,021)		(2,956,021)
2597. Summary of remaining write-ins for Line 25 from overflow page	604,306	602,670	(1,927,801)	0	(720,825)

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)