Amending 5YR Historical, Footnotes and Electronic Footnotes (9, 20, 22)

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017
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 RI

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	Craig Andrew Stillman #

OTHER

Steven Marc Burstein #, Assistant Secretary	Patrice Evelyn Cooper, Vice President, Medicaid Operations	Nyle Brent Cottington, Vice President
Heather Anastasia Lang Jacobsen, Assistant Secretary	Dennis Patrick O'Brien, Chief Executive Officer	Jessica Leigh Zuba #, Assistant Secretary

DIRECTORS OR TRUSTEES

Patrice Evelyn Cooper	Stephen John Farrell	Dennis Patrick O'Brien

State of Rhode Island
County of Kent
SS:

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
1 day of February 2018

a. Is this an original filing? Yes [ ] No [X]
b. If no,
1. State the amendment number 1
2. Date filed 03/23/2018
3. Number of pages attached 2

Claudette Levesque
Notary Public
May 14, 2019

ASSETS

		Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	210,263,005		210,263,005	199,827,698
2.	Stocks (Schedule D):				
	2.1 Preferred stocks			0	0
	2.2 Common stocks	52,576,719		52,576,719	12,626,791
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 ($ (1,490,856) , Schedule E - Part 1), cash equivalents ($ 3,018,321 , Schedule E - Part 2) and short-term investments ($ 0 , Schedule DA)	1,527,465		1,527,465	8,798,096
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
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)	264,367,189	0	264,367,189	221,252,585
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	1,174,329		1,174,329	1,310,648
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	7,510,198	303,484	7,206,714	16,714,085
	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 ($ 23,560,854)	23,560,854		23,560,854	40,273,233
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	917,439		917,439	1,519,916
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts			0	13,052
17.	Amounts receivable relating to uninsured plans	1,408,888	57,446	1,351,442	1,083,008
18.1	Current federal and foreign income tax recoverable and interest thereon	4,107,209		4,107,209	8,358,058
18.2	Net deferred tax asset	3,657,760		3,657,760	4,894,515
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			0	0
24.	Health care ($ 20,050,971) and other amounts receivable	25,802,310	5,751,339	20,050,971	16,629,726
25.	Aggregate write-ins for other than invested assets	47,698	47,698	0	1,408,917
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	332,553,874	6,159,967	326,393,907	313,457,743
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	332,553,874	6,159,967	326,393,907	313,457,743
	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.	Miscellaneous Receivables	47,058	47,058	0	0
2502.	Prepaid Expenses	640	640	0	0
2503.	Premium Tax Receivable	0	0	0	1,408,917
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)	47,698	47,698	0	1,408,917

LIABILITIES, CAPITAL AND SURPLUS

		Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1.	Claims unpaid (less $ 1,563,160 reinsurance ceded)	98,791,096		98,791,096	95,851,520
2.	Accrued medical incentive pool and bonus amounts	3,912,050		3,912,050	5,212,098
3.	Unpaid claims adjustment expenses	965,946		965,946	1,083,143
4.	Aggregate health policy reserves, including the liability of $ 7,829,622 for medical loss ratio rebate per the Public Health Service Act	18,277,441		18,277,441	14,827,804
5.	Aggregate life policy reserves			0	0
6.	Property/casualty unearned premium reserves			0	0
7.	Aggregate health claim reserves	738,039		738,039	628,544
8.	Premiums received in advance	59,194,373		59,194,373	43,523,413
9.	General expenses due or accrued	6,338,586		6,338,586	3,694,910
10.1	Current federal and foreign income tax payable and interest thereon (including $ 0 on realized capital gains (losses))			0	0
10.2	Net deferred tax liability			0	0
11.	Ceded reinsurance premiums payable	1,068,238		1,068,238	1,272,094
12.	Amounts withheld or retained for the account of others	162,925		162,925	170,525
13.	Remittances and items not allocated	14,880		14,880	10,094
14.	Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15.	Amounts due to parent, subsidiaries and affiliates	6,042,024		6,042,024	23,921,040
16.	Derivatives			0	0
17.	Payable for securities			0	592,714
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	17,018,808		17,018,808	3,634,405
23.	Aggregate write-ins for other liabilities (including $ 3,561 current)	3,561	0	3,561	12,344
24.	Total liabilities (Lines 1 to 23)	212,527,967	0	212,527,967	194,434,648
25.	Aggregate write-ins for special surplus funds	XXX	XXX	21,259,771	0
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	0	
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	74,743,334	101,160,260
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	113,865,940	119,023,095
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	326,393,907	313,457,743
	DETAILS OF WRITE-INS				
2301.	Unclaimed Property	3,561		3,561	12,344
2302.					
2303.					
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)	3,561	0	3,561	12,344
2501.	Section 9010 ACA Subsequent Fee Year Assessment	XXX	XXX	21,259,771	0
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	21,259,771	0
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	1,708,301	1,481,654
2.	Net premium income (including $ non-health premium income)	XXX	994,568,917	799,353,543
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(20,112,315)	67,263,001
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	974,456,602	866,616,544
	Hospital and Medical:			
9.	Hospital/medical benefits		714,480,386	640,320,131
10.	Other professional services		958,328	721,882
11.	Outside referrals		0	0
12.	Emergency room and out-of-area		0	0
13.	Prescription drugs		127,482,727	110,489,471
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		3,654,056	6,952,710
16.	Subtotal (Lines 9 to 15)	0	846,575,497	758,484,194
	Less:			
17.	Net reinsurance recoveries		12,215,438	16,154,783
18.	Total hospital and medical (Lines 16 minus 17)	0	834,360,059	742,329,411
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ 24,916,919 cost containment expenses		41,030,276	35,545,115
21.	General administrative expenses		65,809,703	66,936,345
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		0	0
23.	Total underwriting deductions (Lines 18 through 22)	0	941,200,038	844,810,871
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	33,256,564	21,805,673
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		4,746,325	4,632,221
26.	Net realized capital gains (losses) less capital gains tax of $ (87,975)		(213,664)	834,054
27.	Net investment gains (losses) (Lines 25 plus 26)	0	4,532,661	5,466,275
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ 115,356) (amount charged off $ 509,609)]		(394,253)	(392,212)
29.	Aggregate write-ins for other income or expenses	0	(9,768)	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	37,385,204	26,879,736
31.	Federal and foreign income taxes incurred	XXX	13,757,765	14,177,124
32.	Net income (loss) (Lines 30 minus 31)	XXX	23,627,439	12,702,612
	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.	Fines and Penalties		(9,768)	0
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	(9,768)	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	119,023,095	147,152,178
34.	Net income or (loss) from Line 32	23,627,439	12,702,612
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $	(715)	
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(1,236,755)	684,913
39.	Change in nonadmitted assets	(747,124)	(1,816,608)
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	(26,800,000)	(39,700,000)
47.	Aggregate write-ins for gains or (losses) in surplus	0	0
48.	Net change in capital and surplus (Lines 34 to 47)	(5,157,155)	(28,129,083)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	113,865,940	119,023,095
	DETAILS OF WRITE-INS		
4701.			
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)	0	0

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	1,021,389,077	829,059,528
2.	Net investment income	5,954,059	5,686,670
3.	Miscellaneous income	0	0
4.	Total (Lines 1 through 3)	1,027,343,136	834,746,198
5.	Benefit and loss related payments	837,902,198	770,056,694
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	90,264,164	96,633,226
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	9,418,941	20,735,491
10.	Total (Lines 5 through 9)	937,585,303	887,425,411
11.	Net cash from operations (Line 4 minus Line 10)	89,757,833	(52,679,213)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	57,472,140	62,414,204
	12.2 Stocks	1,039,993,544	887,501,960
	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	0	0
	12.7 Miscellaneous proceeds	0	55,193
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,097,465,684	949,971,357
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	69,251,480	58,255,279
	13.2 Stocks	1,079,943,472	789,761,663
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	592,714	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	1,149,787,666	848,016,942
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)	(52,321,982)	101,954,415
	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	26,800,000	64,700,000
	16.6 Other cash provided (applied)	(17,906,482)	24,257,691
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(44,706,482)	(40,442,309)
	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)	(7,270,631)	8,832,893
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	8,798,096	(34,797)
	19.2 End of year (Line 18 plus Line 19.1)	1,527,465	8,798,096

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	994,568,917	4,387,107					459,008,228	531,173,582	0	
2. Change in unearned premium reserves and reserve for rate credit	(20,112,316)	3,181					(4,817,884)	(15,297,613)	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)	974,456,601	4,390,288	0	0	0	0	454,190,344	515,875,969	0	0
8. Hospital/medical benefits	714,480,386	6,911,737					348,543,811	359,024,838	0	XXX
9. Other professional services	958,328	(51,184)					1,009,512	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	127,482,728	1,260,960					20,074,633	106,147,135	0	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	3,654,056	289,303					3,515,744	(150,991)	0	XXX
15. Subtotal (Lines 8 to 14)	846,575,498	8,410,816	0	0	0	0	373,143,700	465,020,982	0	XXX
16. Net reinsurance recoveries	12,215,438	5,259,733					5,572,766	1,382,939	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	834,360,060	3,151,083	0	0	0	0	367,570,934	463,638,043	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ 24,916,919 cost containment expenses	41,030,276	513,533					20,369,871	20,146,872		
20. General administrative expenses	65,809,702	183,787					36,614,301	29,011,614	0	
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)	941,200,038	3,848,403	0	0	0	0	424,555,106	512,796,529	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	33,256,563	541,885	0	0	0	0	29,635,238	3,079,440	0	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)	11,465,239		7,078,132	4,387,107
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	464,509,207		5,500,980	459,008,227
7. Title XIX - Medicaid	532,419,053		1,245,471	531,173,582
8. Other health				0
9. Health subtotal (Lines 1 through 8)	1,008,393,499	0	13,824,582	994,568,917
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	1,008,393,499	0	13,824,582	994,568,917

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	845,894,042	9,197,105					361,653,135	475,043,802		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	12,772,488	6,062,574					5,521,943	1,187,971		
1.4 Net	833,121,554	3,134,531	0	0	0	0	356,131,192	473,855,831	0	0
2. Paid medical incentive pools and bonuses	4,780,522	133,308					4,635,413	11,801		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	100,354,255	801,464	0	0	0	0	61,086,395	38,466,396	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	1,563,160	314,638	0	0	0	0	913,323	335,199	0	0
3.4 Net	98,791,095	486,826	0	0	0	0	60,173,072	38,131,197	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	756,027	17,585					79,207	659,235		
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	17,987	10,960					7,027			
4.4 Net	738,040	6,625	0	0	0	0	72,180	659,235	0	0
5. Accrued medical incentive pools and bonuses, current year	3,912,050	31,304					3,692,208	188,538		
6. Net healthcare receivables (a)	5,893,515	(232,285)					4,308,945	1,816,855		
7. Amounts recoverable from reinsurers December 31, current year	917,439	563,063					354,376			
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	97,531,256	2,014,682	0	0	0	0	48,892,658	46,623,916	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	1,679,735	727,710	0	0	0	0	811,795	140,230	0	0
8.4 Net	95,851,521	1,286,972	0	0	0	0	48,080,863	46,483,686	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	658,112	40,565					60,858	556,689		
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	29,568	25,109					4,459			
9.4 Net	628,544	15,456	0	0	0	0	56,399	556,689	0	0
10. Accrued medical incentive pools and bonuses, prior year	5,212,098	48,891					4,811,877	351,330		
11. Amounts recoverable from reinsurers December 31, prior year	1,519,916	1,112,267					407,649			
12. Incurred Benefits:										
12.1 Direct	842,921,441	8,193,192	0	0	0	0	369,556,276	465,171,973	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	12,041,855	5,086,149	0	0	0	0	5,572,766	1,382,940	0	0
12.4 Net	830,879,586	3,107,043	0	0	0	0	363,983,510	463,789,033	0	0
13. Incurred medical incentive pools and bonuses	3,480,474	115,721	0	0	0	0	3,515,744	(150,991)	0	0

(a) Excludes $ 123 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	33,842,346	320,207					19,768,747	13,753,392		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	92,972	44,755					48,217			
1.4 Net	33,749,374	275,452	0	0	0	0	19,720,530	13,753,392	0	0
2. Incurred but Unreported:										
2.1 Direct	65,819,737	474,133					40,632,600	24,713,004		
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	1,470,188	269,883					865,106	335,199		
2.4 Net	64,349,549	204,250	0	0	0	0	39,767,494	24,377,805	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	692,172	7,124					685,048			
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	692,172	7,124	0	0	0	0	685,048	0	0	0
4. TOTALS:										
4.1 Direct	100,354,255	801,464	0	0	0	0	61,086,395	38,466,396	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	1,563,160	314,638	0	0	0	0	913,323	335,199	0	0
4.4 Net	98,791,095	486,826	0	0	0	0	60,173,072	38,131,197	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)	635,614	3,048,121	24,346	469,105	659,960	1,302,429
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	29,135,741	327,048,724	1,374,933	58,870,319	30,510,674	48,137,261
7 Title XIX - Medicaid	28,110,177	445,745,654	652,354	38,138,078	28,762,531	47,040,375
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	57,881,532	775,842,499	2,051,633	97,477,502	59,933,165	96,480,065
10. Healthcare receivables (a)	2,899,247	21,629,053		1,273,887	2,899,247	19,908,671
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	4,028,084	752,438	161,800	3,750,250	4,189,884	5,212,098
13. Totals (Lines 9 - 10 + 11 + 12)	59,010,369	754,965,884	2,213,433	99,953,865	61,223,802	81,783,492

(a) Excludes $ 123 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 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	(455)	(455)	(413)	(411)	(410)
2. 2013	4,126	3,907	3,865	3,865	3,865
3. 2014	XXX	4,308	3,932	3,938	3,940
4. 2015	XXX	XXX	7,223	6,869	6,874
5. 2016	XXX	XXX	XXX	7,424	7,154
6. 2017	XXX	XXX	XXX	XXX	3,529

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 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	(423)	(455)	(413)	(411)	(410)
2. 2013	4,587	3,941	3,865	3,865	3,865
3. 2014	XXX	4,941	3,958	3,938	3,940
4. 2015	XXX	XXX	8,633	6,899	6,874
5. 2016	XXX	XXX	XXX	8,746	7,191
6. 2017	XXX	XXX	XXX	XXX	4,017

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. 2013	4,257	3,865	104	2.7	3,969	93.2			3,969	93.2
2. 2014	4,683	3,940	479	12.2	4,419	94.4			4,419	94.4
3. 2015	8,192	6,874	1,243	18.1	8,117	99.1			8,117	99.1
4. 2016	7,430	7,154	1,104	15.4	8,258	111.1	36		8,294	111.6
5. 2017	4,390	3,529	471	13.3	4,000	91.1	488	5	4,493	102.3

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 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	30,723	30,723	29,835	29,683	29,675
2. 2013	269,560	295,544	296,170	296,118	296,092
3. 2014	XXX	159,671	179,942	179,745	179,630
4. 2015	XXX	XXX	172,558	196,699	196,577
5. 2016	XXX	XXX	XXX	234,780	267,705
6. 2017	XXX	XXX	XXX	XXX	328,111

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 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	31,874	30,723	29,835	29,683	29,675
2. 2013	312,711	297,238	296,170	296,118	296,092
3. 2014	XXX	185,349	180,769	179,745	179,630
4. 2015	XXX	XXX	202,123	197,715	196,577
5. 2016	XXX	XXX	XXX	286,713	269,230
6. 2017	XXX	XXX	XXX	XXX	390,524

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. 2013	326,151	296,092	7,516	2.5	303,608	93.1			303,608	93.1
2. 2014	228,778	179,630	15,848	8.8	195,478	85.4			195,478	85.4
3. 2015	253,246	196,577	20,289	10.3	216,866	85.6			216,866	85.6
4. 2016	353,851	267,705	17,719	6.6	285,424	80.7	1,525	15	286,964	81.1
5. 2017	454,190	328,111	17,835	5.4	345,946	76.2	62,413	610	408,969	90.0

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 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	17,637	17,637	16,550	15,906	15,872
2. 2013	215,339	230,492	230,852	227,820	227,811
3. 2014	XXX	330,046	375,869	373,029	373,004
4. 2015	XXX	XXX	371,912	462,209	461,404
5. 2016	XXX	XXX	XXX	420,674	449,668
6. 2017	XXX	XXX	XXX	XXX	445,746

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 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	20,143	17,637	16,550	15,906	15,872
2. 2013	238,709	231,385	230,852	227,820	227,811
3. 2014	XXX	408,800	397,241	373,029	373,004
4. 2015	XXX	XXX	451,762	463,177	461,404
5. 2016	XXX	XXX	XXX	467,098	450,321
6. 2017	XXX	XXX	XXX	XXX	483,072

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. 2013	255,936	227,811	7,516	3.3	235,327	91.9			235,327	91.9
2. 2014	457,848	373,004	15,848	4.2	388,852	84.9			388,852	84.9
3. 2015	507,232	461,404	20,289	4.4	481,693	95.0			481,693	95.0
4. 2016	505,335	449,668	17,926	4.0	467,594	92.5	652	6	468,253	92.7
5. 2017	515,876	445,746	17,628	4.0	463,374	89.8	38,327	330	502,030	97.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	47,905	47,905	45,972	45,177	45,137
2. 2013	489,025	529,943	530,887	527,803	527,768
3. 2014	XXX	494,025	559,743	556,712	556,574
4. 2015	XXX	XXX	551,693	665,777	664,855
5. 2016	XXX	XXX	XXX	662,878	724,527
6. 2017	XXX	XXX	XXX	XXX	777,386

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	51,594	47,905	45,972	45,177	45,137
2. 2013	556,007	532,564	530,887	527,803	527,768
3. 2014	XXX	599,090	581,968	556,712	556,574
4. 2015	XXX	XXX	662,518	667,790	664,855
5. 2016	XXX	XXX	XXX	762,557	726,742
6. 2017	XXX	XXX	XXX	XXX	877,613

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. 2013	586,344	527,768	15,136	2.9	542,904	92.6	0	0	542,904	92.6
2. 2014	691,309	556,574	32,175	5.8	588,749	85.2	0	0	588,749	85.2
3. 2015	768,670	664,855	41,821	6.3	706,676	91.9	0	0	706,676	91.9
4. 2016	866,616	724,528	36,749	5.1	761,277	87.8	2,213	21	763,511	88.1
5. 2017	974,456	777,386	35,934	4.6	813,320	83.5	101,228	945	915,492	93.9

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	1,837	1,837							
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	16,487,287						9,920,895	6,566,392	
5. Aggregate write-ins for other policy reserves	1,788,861	1,612,555	0	0	0	0	176,306	0	0
6. Totals (gross)	18,277,985	1,614,392	0	0	0	0	10,097,201	6,566,392	0
7. Reinsurance ceded	545	0						545	
8. Totals (Net)(Page 3, Line 4)	18,277,440	1,614,392	0	0	0	0	10,097,201	6,565,847	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	756,027	17,585					79,207	659,235	
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	756,027	17,585	0	0	0	0	79,207	659,235	0
13. Reinsurance ceded	17,987	10,960					7,027		
14. Totals (Net)(Page 3, Line 7)	738,040	6,625	0	0	0	0	72,180	659,235	0
DETAILS OF WRITE-INS									
0501. Risk Adjustment Payable	1,612,555	1,612,555							
0502. Medicare RAF Payable	176,306						176,306		
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)	1,788,861	1,612,555	0	0	0	0	176,306	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)	643,954	453,871	1,300,038		2,397,863
2. Salary, wages and other benefits	12,049,626	8,492,791	24,326,211		44,868,628
3. Commissions (less $ .... ceded plus $ .... assumed)			9,619,521		9,619,521
4. Legal fees and expenses	116,326	81,989	234,844		433,159
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	1,255,763	885,084	2,551,988		4,692,835
7. Traveling expenses	368,387	259,646	743,713		1,371,746
8. Marketing and advertising	748,499	527,555	1,511,096		2,787,150
9. Postage, express and telephone	669,067	471,570	1,350,736		2,491,373
10. Printing and office supplies	445,291	313,849	898,969		1,658,109
11. Occupancy, depreciation and amortization	269,345	189,839	543,763		1,002,947
12. Equipment	45,594	32,135	92,046		169,775
13. Cost or depreciation of EDP equipment and software	1,454,459	1,025,128	2,936,313		5,415,900
14. Outsourced services including EDP, claims, and other services	3,958,476	1,503,885	2,749,575		8,211,936
15. Boards, bureaus and association fees	19,165	13,508	38,691		71,364
16. Insurance, except on real estate	163,828	115,469	330,742		610,039
17. Collection and bank service charges	68,395	48,206	138,077		254,678
18. Group service and administration fees	336,353	237,067	939,804		1,513,224
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes	31,788	14,696	80,042		126,526
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			649,632		649,632
23.2 State premium taxes			10,852,872		10,852,872
23.3 Regulatory authority licenses and fees			123,082		123,082
23.4 Payroll taxes	595,410	267,387	1,510,155		2,372,952
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere				131,819	131,819
25. Aggregate write-ins for expenses	1,677,193	1,179,682	2,287,793	0	5,144,668
26. Total expenses incurred (Lines 1 to 25)	24,916,919	16,113,357	65,809,703	131,819	(a) 106,971,798
27. Less expenses unpaid December 31, current year	586,601	379,345	6,338,586		7,304,532
28. Add expenses unpaid December 31, prior year	603,546	479,596	3,694,910		4,778,052
29. Amounts receivable relating to uninsured plans, prior year			1,083,008		1,083,008
30. Amounts receivable relating to uninsured plans, current year			1,351,442		1,351,442
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	24,933,864	16,213,608	63,434,461	131,819	104,713,752
DETAILS OF WRITE-INS					
2501. Information Technology	137,160	96,673	276,904		510,737
2502. Interest	9,754	6,875	46,072		62,701
2503. Managed Care & Network Access	10,949	5,284	15,305		31,538
2598. Summary of remaining write-ins for Line 25 from overflow page	1,519,330	1,070,850	1,949,512	0	4,539,692
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,677,193	1,179,682	2,287,793	0	5,144,668

(a) Includes management fees of $ 66,584,698 to affiliates and $ .... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 447,897	457,242
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 3,917,676	3,745,356
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	585,480	585,480
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) 92,551	92,551
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	5,043,604	4,880,629
11.	Investment expenses		(g) 131,819
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 2,485
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)		134,304
17.	Net investment income (Line 10 minus Line 16)		4,746,325
	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 $ 62,921 accrual of discount less $ 1,104,596 amortization of premium and less $ 89,467 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 $ 7,647 accrual of discount less $ 0 amortization of premium and less $ paid for accrued interest on purchases.

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

(g) Includes $. investment expenses and $ 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	(354,886)	0	(354,886)	(715)	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	53,247	0	53,247	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			0		
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)	(301,639)	0	(301,639)	(715)	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
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	303,484	2,099,468	1,795,984
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination		0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	57,446	2,601	(54,845)
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	5,751,339	3,278,945	(2,472,394)
25. Aggregate write-ins for other than invested assets	47,698	31,833	(15,865)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,159,967	5,412,847	(747,120)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	6,159,967	5,412,847	(747,120)
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. Miscellaneous receivables	47,058	0	(47,058)
2502. Prepaid expenses	640	31,833	31,193
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)	47,698	31,833	(15,865)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

		Total Members at End of					6
	Source of Enrollment	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	3,924	2,440	2,223	2,122	1,989	26,754
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business	123,831	137,327	142,708	140,941	142,107	1,681,547
7.	Total	127,755	139,767	144,931	143,063	144,096	1,708,301
	DETAILS OF WRITE-INS						
0601.	Medicare	34,621	43,241	44,395	45,777	47,175	537,040
0602.	Medicaid	89,210	94,086	98,313	95,164	94,932	1,144,507
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)	123,831	137,327	142,708	140,941	142,107	1,681,547

UnitedHealthcare of NEW ENGLAND, Inc.

**NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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 (the "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 individuals and employer groups. Each contract outlines the coverage provided and renewal provisions. In 2016, the Company also participated in the Affordable Care Act ("ACA") individual and small group exchange market in Rhode Island. Effective January 1, 2017, the Company exited the ACA individual and small group exchange market in Rhode Island.

The Company serves as a plan sponsor offering Medicare Advantage and Medicare Part D prescription drug insurance coverage (collectively "Medicare program") under a contract with the Centers for Medicare and Medicaid Services ("CMS"). Under the Medicare 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 ("CGDP"). Each component of the Medicare program is further defined throughout Note 1.

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, 2018, 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 (the "State"), 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 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:

	SSAP #	F/S Page #	F/S Line #	2017	2016
Net Income					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	$ 23,627,439	$ 12,702,612
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP:					
N/A				-	-
(3) State permitted practices that are an increase/(decrease) from NAIC SAP:					
N/A				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	$ 23,627,439	$ 12,702,612
Capital and Surplus					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	$ 113,865,940	$ 119,023,095
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP:					
N/A				-	-
(7) State permitted practices that are an increase/(decrease) from NAIC SAP:					
N/A				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	$ 113,865,940	$ 119,023,095

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, aggregate health policy reserves (including medical loss ratio rebates) and aggregate health claim 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 book/adjusted carrying value if they meet NAIC designation of one or two and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of three or higher. The Company does not have any mandatory convertible securities or Securities Valuation Office ("SVO") identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. 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 SVO of the NAIC 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 book adjusted/ carrying value. 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 book/adjusted carrying value, commonly referred to as 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 and 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 (inclusive of conversion 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 Agreement (see Note 10), the Company pays a management fee to its affiliate, 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 CAE and general administrative expenses ("GAE") 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 CAE associated with incurred but unpaid claims, which is included in unpaid CAE in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2017 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 CAE 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 are considered nonadmitted assets under the 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/or differences between statutory practices and GAAP:

<u>ASSETS</u>

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 book/adjusted carrying value 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 book/adjusted carrying value, respectively;

- Investments in common stocks, which consists solely of the Company's share of an investment pool sponsored and administered by UHS for the benefit of UHS-owned health plans, are valued by agreement that the pool's NAV ("Net Asset Value") will always equal $1.00 per share, which is equal to the book/carrying value 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 include money-market funds and U.S. treasury bills. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Cash equivalents, excluding money-market funds are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value as a practical expedient;

- Short-term investments include corporate debt securities, U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and in 2016, money market funds. In 2017, money market funds are now classified as cash equivalents. Short-term investments have 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 (losses) less capital gains tax (benefit) 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 ("OTTIs") for the years ended December 31, 2017 and 2016;

- The statutory basis statements of cash flows reconcile 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. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and statutory reporting. 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 accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.

- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members as premiums and considerations 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 include the following:

  a) 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 CMS risk adjustment programs are accounted for as premium adjustments subject to redetermination (see Note 24); and

b) The Rhode Island Risk Share program's estimated accrued retrospective premiums. The Company has a risk share arrangement with the Rhode Island Executive Office of Health and Human Services that mitigates the amount of financial risk to both the State of Rhode Island and to the Company. The Company records a receivable from the Rhode Island risk share program for estimated retrospective premium adjustments due to the Company based on the underlying contractual terms that are recorded as a change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

Premium adjustments for the CMS risk adjustment programs 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 represent the costs incurred in excess of the cost reimbursement under the Medicare 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. Subsidies for individual members 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 net cash provided by operations in the statutory basis statements of cash flows. For employer group members, the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy is consistent with reimbursement for individuals. The low-income member cost-sharing subsidy for employer group members is only received at settlement which is in the subsequent year. The ACA mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap. As part of the CGDP, the Company records a receivable from the pharmaceutical manufacturers for reimbursement of the discounts which is included in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. There are no similar subsidies for employer group members. Related cash flows are presented within operating expenses paid within net cash provided by operations in the statutory basis statements of cash flows. The Company solely administers the application of these funds and has no insurance risk.

  Amounts receivable relating to uninsured plans also include the cost reimbursement for the cost-sharing reduction components of the ACA. The Company is fully reimbursed by the federal government for costs incurred related to these provisions. The Company receives advances that are applied to eligible claims. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded as amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

  Current Federal Income Tax Recoverable — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group, 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. A current federal income tax recoverable is recognized when the Company's allocated intercompany estimated payments are more than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).

- **Net Deferred Tax Asset** — The 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 the 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 the 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 sheet.

- **State Income Tax Recoverable** — State income tax recoverable represents amounts that are expected to be recovered as a result of an overpayment of estimated tax carrybacks, or items for which the reporting entity has authority to recover under a state regulation or statute.

LIABILITIES

- **Claims Unpaid and Aggregate Health Claim Reserves** — Claims unpaid and aggregate health claim 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 2017 and 2016. Management believes the amount of claims unpaid and aggregate health claim reserves is a best estimate of the Company’s liability for unpaid claims and aggregate health claim reserves as of December 31, 2017; however, actual payments may differ from those established estimates.

  The reserves ceded to reinsurers for claims unpaid and aggregate health claim 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.

- **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.

- **Accrued Medical Incentive Pool and Bonus Amounts** — 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. The Company has incentive and bonus arrangements with providers that are based on quality, utilization, and/or various health outcome measures. The estimated amount due to providers that meet the established metrics is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Aggregate Health Policy Reserves** — The Company establishes a liability, net of ceded reinsurance, for estimated accrued retrospective and redetermination premiums due from the Company based on the actuarial method and assumptions for each respective contract. Aggregate health policy reserves also includes:

  a) risk adjustment payables as defined in Section 1343 of the ACA. 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 less than the average actuarial risk scores in that market and state risk pool (see Note 24);

  b) CMS risk corridor payables for which adjustments are based on whether the ultimate PMPM benefit costs of any Medicare program plan varies more than 5% below the level estimated in the original bid submitted by the Company and approved by CMS (see Note 24);

  c) CMS risk adjustment payables. 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 (see Note 24);

  d) estimated rebates payable on the Medicare products, if the medical loss ratios on these 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 (see Note 24); and

e) the Rhode Island Risk Share program's estimated accrued retrospective premiums were recorded in aggregate health policy reserves. The risk share arrangement with the Rhode Island Executive Office of Health and Human Services mitigates the amount of financial risk to both the State of Rhode Island and to the Company.

- **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, state income taxes and the unpaid portion of the contributions required under the ACA risk adjustment and reinsurance programs (see Note 24).

- **Current Federal Income Taxes Payable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group 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. A liability for federal income taxes payable is recognized when its allocated intercompany estimated payments are less than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).

- **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.

- **Amounts Due to 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 owed as amounts due to parent, subsidiaries, and affiliates, net, 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 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. Subsidies for individual members 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 net cash provided by operations in the statutory basis statements of cash flows. For employer group members, the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for employer group members are only received at settlement which is in the subsequent year. The ACA mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap. These discounts are pre-funded for the individual members by CMS and a liability for the amount subject to recoupment is recorded in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. There are no similar subsidies for employer group members. Related cash flows are presented within operating expenses paid within net cash provided by operations in the statutory basis statements of cash flows. The Company solely administers the application of these funds and has no insurance risk.

  Liability for amounts held under uninsured plans also include the cost reimbursement for the cost-sharing reduction components of the ACA. The Company is fully reimbursed by the federal government for costs incurred related to these provisions. The Company receives advances that are applied to eligible claims. If the Company incurs costs that are less than these subsidies, a corresponding liability is recorded for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain health care and other amounts receivable, certain deferred tax assets, prepaid expenses, provider advances, amounts receivable relating to uninsured plans, are considered nonadmitted assets under the 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 sheet.

- **Restricted Cash Reserves** — The Company is exempt from the state of Rhode Island minimum regulatory deposit requirements, but it currently holds $126,465 in deposits. The Company is required by the State of Massachusetts to maintain a minimum regulatory deposit and is currently holding $1,057,123 in deposits, and was in compliance with this requirement as of December 31, 2017. 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. Additionally, the Company is required by the State to maintain above 275% of the risk-based capital ("RBC") Authorized Control Level ("ACL"). The minimum capital and surplus requirement is $75,436,919 and $71,870,865 for December 31, 2017 and 2016, 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 or an amount equal to the sum of 3 months uncovered health care expenditures as reported on the most recent financial statement filed with the commissioner or an amount equal to the sum of 8 per cent of annual health care expenditures except those paid on a capitated basis or managed hospital payment basis as reported on the most recent financial statement filed with the commissioner; and 4 per cent of annual hospital expenditures paid on a managed hospital payment basis as reported on the most recent financial statement filed with the commissioner. The Company has $113,865,940 and $119,023,095 in total statutory basis capital and surplus as of December 31, 2017 and 2016, 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.

- **Section 9010 ACA Subsequent Fee Year Assessment** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under the NAIC SAP, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required. In accordance with the 2017 Health Insurer Fee ("HIF") moratorium, no HIF was payable in 2017, therefore no amounts were apportioned out in the 2016 statutory basis statements of admitted assets, liabilities, and capital and surplus.

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 reinsurance premiums incurred but not paid in the statutory basis statements of operations. 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 1343 of the ACA, the Company records premium adjustments for changes to the 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 program, which includes CMS premium, member premium, and CMS 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 $20,609,773 and $295,390 for changes in prior year Medicare risk factor estimates during the years ended December 31, 2017 and 2016, 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.

  Medicare Advantage plans and Part D prescription drug plans are subject to medical loss ratio 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 a receivable from the Rhode Island risk share program for estimated retrospective premium adjustments due to the Company based on the underlying contractual terms that are recorded as a 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 claim 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 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 Agreement are directly expensed as incurred. State income taxes are also a component of GAE. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and GAE 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 during the calendar year, which is nondeductible for tax purposes. Under the NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in GAE 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 calculated based on applying the statutory federal income tax rate of 35% to net gain from operations before federal income taxes and net realized capital gains subject to certain adjustments (see Note 9).

- **Comprehensive Income** — 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 statutory basis statements of operations. Any amounts due to the Company pursuant to these agreements are recorded as amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 10 and Note 23).

  The Company has a reinsurance agreement through which 60% of comprehensive commercial earned member premiums, hospital and medical benefits, and operating expenses are ceded to UnitedHealthcare Insurance Company ("UHIC"), an affiliated entity. These amounts are reflected as a reduction to net premium income, total hospital and medical, CAE, and GAE in the statutory basis financial statements. Pursuant to the quota share agreement, the Company records amounts recoverable from the reinsurer for claims paid, GAE and CAE as amounts recoverable from reinsurers and estimates of claims incurred but not yet paid as a reduction to claims unpaid in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

  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 CAE pursuant to the UHIC quota share and Unimerica Insurance Company, Inc. ("Unimerica") agreements 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 Unimerica reinsurance agreement was terminated effective December 31, 2017 (see Note 10).

- **Section 1341 ACA Transitional Reinsurance** — The Company has established receivables of $43,004 and $176,697 and liabilities of $0 and $20,440 as of December 31, 2017 and 2016, respectively, pursuant to Section 1341 of the ACA which is included in amounts recoverable from reinsurers and ceded reinsurance premiums payable, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, for the transitional reinsurance program**.** This 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 (see Note 24).

- **Ceded Reinsurance Premiums Payable** —The ceded reinsurance premiums payable balance represents amounts due to the reinsurers for specified coverage which will be paid based on the contract terms.

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 commercial customers that individually exceed 10% of total direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, for the years ended December 31, 2017 and 2016.

Direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, 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 receivables for contracts subject to redetermination, are 46% and 60% as of December 31, 2017 and 44% and 57% as of December 31, 2016, respectively.

Direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, from the State as a percentage of total direct premiums written and total premiums and considerations, including receivables for contracts subject to redetermination, are 53% and 35% as of December 31, 2017 and 54% and 39% as of December 31, 2016, respectively.

Recently Issued Accounting Standards — In March 2017, the NAIC revised Statements of Statutory Accounting Principles ("SSAP") No. 35R, *Guaranty Fund and Other Assessments* ("SSAP No. 35R") for the accounting and disclosure requirements related to the required discounting of liabilities and assets related to assessments from insolvencies of entities that wrote long-term care contracts. This revised guidance is effective for reporting periods after January 1, 2017. The Company adopted the revised accounting and disclosure requirements in 2017 and the impact is not expected to have a material impact to the statutory basis financial statements.

In March 2017, the NAIC revised SSAP No. 2R, *Cash, Drafts, and Short-Term Investments* ("SSAP No. 2R") for the presentation of money-market fund balances. Money-market funds are now included as a component of cash equivalents in 2017, whereas in 2016, money-market funds were included as a component of short-term investments. This revised guidance is effective for reporting periods on and after December 31, 2017. The Company adopted the revised change in presentation in 2017. The financial statements and related disclosures for the two years being presented conform with this change in presentation.

In April 2017, the NAIC revised SSAP No. 26R, *Bonds* ("SSAP No. 26R") for the measurement method of mandatory convertible securities and SVO identified funds (i.e.: exchange traded funds and bond mutual funds) investments. The Company has adopted the revised guidance effective December 31, 2017. This guidance is not expected to have a material impact to the statutory basis financial statements.

The Company reviewed all other recently issued guidance in 2017 and 2016 that has been adopted for 2017 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 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 or correction of errors have been recorded during the years ended December 31, 2017 and 2016.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2017 and 2016, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

A. Discontinued Operation Disposed of or Classified as Held for Sale

(1–4) The Company did not discontinue any operations during 2017 or 2016; however, effective January 1, 2017, the Company did make the decision to exit the ACA individual and small group exchange market. The 2016 ACA individual and small group exchange revenue represented approximately 0.3% of total direct premiums written as of December 31, 2016.

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

C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal — Not applicable.

D. Equity Interest Retained in the Discontinued Operation after Disposal — Not applicable.

5. INVESTMENTS

Money-market funds activity is now included as a component of cash equivalents in 2017, whereas in 2016, money-market funds activity was included as a component of short-term investments. The amounts in the following disclosures and corresponding tables reflect this change in presentation.

For purposes of calculating gross realized gains and losses on sales of investments, the book adjusted/ carrying value cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were $58,203 and $(359,842), respectively, for 2017 and $1,309,454 and $12,817, respectively, for 2016. There were no realized gains and losses on sales of short-term investments for 2017 or 2016. The net realized gain (loss) is included in net realized capital gains (losses) less capital gains tax (benefit) in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were $7,977,781 and $40,177,887, for the sale of common stock were $1,027,366,753 and $887,501,960, and for short-term investments were $1,099,258,927 and $29,820,365 in 2017 and 2016, respectively.

As of December 31, 2017 and 2016, the book/adjusted carrying value, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash overdrafts and cash equivalents of $1,527,465 and $1,836,672, respectively, are as follows:

	2017						
	Book Value	Net Recognized Unrealized Losses	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 74,000,323	$ 715	$ 73,999,608	$ 98,676	$ 207,548	$ 290,610	$ 73,600,126
State and agency municipal securities	22,394,152	-	22,394,152	513,802	18,374	27,856	22,861,724
City and county municipal securities	15,989,446	-	15,989,446	450,070	-	60,225	16,379,291
Corporate debt securities (includes commercial paper)	97,879,799	-	97,879,799	285,993	264,406	155,050	97,746,336
Equity	52,576,719	-	52,576,719	-	-	-	52,576,719
Total bonds and equity (including marketable common stock)	$ 262,840,439	$ 715	$ 262,839,724	$ 1,348,541	$ 490,328	$ 533,741	$ 263,164,196

	2017						
	Book Value	Net Recognized Unrealized Losses	Book/Adjusted Carrying Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
Less than one year	$ 25,868,783	$ -	$ 25,868,783	$ 3,458	$ 3,718	$ 49,742	$ 25,818,781
One to five years	89,873,134	715	89,872,419	170,737	276,427	301,133	89,465,596
Five to ten years	31,161,467	-	31,161,467	339,350	47,718	14,046	31,439,053
Over ten years	115,937,055	-	115,937,055	834,996	162,465	168,820	116,440,766
Total bonds and equity (including marketable common stock)	$ 262,840,439	$ 715	$ 262,839,724	$ 1,348,541	$ 490,328	$ 533,741	$ 263,164,196

	2016						
	Book Value	Net Recognized Unrealized Losses	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 63,641,856	$ -	$ 63,641,856	$ 103,440	$ 640,207	$ -	$ 63,105,089
State and agency municipal securities	34,534,959	-	34,534,959	272,331	273,083	-	34,534,207
City and county municipal securities	16,515,879	-	16,515,879	98,247	257,264	-	16,356,862
Corporate debt securities	85,135,003	-	85,135,003	418,480	300,004	43,017	85,210,462
Money-market funds	6,961,423	-	6,961,423	-	-	-	6,961,423
Equity	12,626,791	-	12,626,791	-	-	-	12,626,791
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 219,415,911	$ -	$ 219,415,911	$ 892,498	$ 1,470,558	$ 43,017	$ 218,794,834

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 a book/adjusted carrying value of $38,138,935 and fair value of $37,982,303.

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, 2017 and 2016:

	2017					
	< 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	$ 26,338,919	$ 207,548	$ 26,485,658	$ 290,610	$ 52,824,577	$ 498,158
State and agency municipal securities	4,344,128	18,374	3,335,089	27,856	7,679,217	46,230
City and county municipal securities	-	-	3,194,763	60,225	3,194,763	60,225
Corporate debt securities	49,397,293	264,406	11,767,722	155,050	61,165,015	419,456
Total bonds and equity (including marketable common stocks)	$ 80,080,340	$ 490,328	$ 44,783,232	$ 533,741	$ 124,863,572	$ 1,024,069

	2016					
	< 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	$ 44,895,128	$ 640,207	$ -	$ -	$ 44,895,128	$ 640,207
State and agency municipal securities	13,771,098	273,083	-	-	13,771,098	273,083
City and county municipal securities	7,434,858	257,264	-	-	7,434,858	257,264
Corporate debt securities (includes commercial paper)	32,948,158	300,004	1,163,305	43,017	34,111,463	343,021
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 99,049,242	$ 1,470,558	$ 1,163,305	$ 43,017	$ 100,212,547	$ 1,513,575

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, 2017 and 2016, 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 book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities 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 municipal, local agency and corporate debt securities, 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, no OTTIs were recorded by the Company as of December 31, 2017 and 2016.

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 OTTIs on loan-backed securities as of December 31, 2017 and 2016.

(3) The Company did not have any loan-backed securities with an OTTI to report by CUSIP as of December 31, 2017 or 2016.

(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, 2017 and 2016:

		2017
The aggregate amount of unrealized losses:		
1. Less than 12 months	$	206,388
2. 12 months or longer		87,210
The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 months		28,466,736
2. 12 months or longer		7,188,227
		2016
The aggregate amount of unrealized losses:		
1. Less than 12 months	$	176,843
2. 12 months or longer		345
The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 months		22,281,737
2. 12 months or longer		699,935

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, 2017 and 2016 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

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

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing —Not applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing — Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale — Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale — Not applicable.

J. Real Estate — Not applicable.

K. Low-Income Housing Tax Credits ("LIHTC") — Not applicable.

L. Restricted Assets —

(1) Restricted assets, including pledged securities as of December 31, 2017 and 2016, are presented below:

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted From Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 Minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	$ -	0 %	0 %
b. Collateral held under security lending agreements	-	-	-	-	-	0 %	0 %
c. Subject to repurchase agreements	-	-	-	-	-	0 %	0 %
d. Subject to reverse repurchase agreements	-	-	-	-	-	0 %	0 %
e. Subject to dollar repurchase agreements	-	-	-	-	-	0 %	0 %
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	0 %	0 %
g. Placed under option contracts	-	-	-	-	-	0 %	0 %
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	0 %	0 %
i. FHLB capital stock	-	-	-	-	-	0 %	0 %
j. On deposit with states	1,183,588	1,205,185	(21,597)	-	1,183,588	0 %	0 %
k. On deposit with other regulatory bodies	-	-	-	-	-	0 %	0 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	0 %	0 %
m Pledged as collateral not captured in other categories	-	-	-	-	-	0 %	0 %
n. Other restricted assets	-	-	-	-	-	0 %	0 %
o. Total restricted assets	$ 1,183,588	$ 1,205,185	$ (21,597)	$ -	$ 1,183,588	0 %	0 %

(a) Column 1 divided by Asset Page, Column 1, Line 28
(b) Column 5 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2017 or 2016.

M. Working Capital Finance Investments — Not applicable.

N. 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.

O. Structured Notes

The details of structured notes by CUSIP as of December 31, 2017 are presented below:

2017				
CUSIP Identification	**Actual Cost**	**Fair Value**	**Book/ Adjusted Carrying Value**	**Mortgage Referenced Security (Yes/No)**
912828Q60	$ 2,066,820	$ 2,072,904	$ 2,066,501	N
912828SA9	2,163,898	2,170,856	2,163,704	N
Total	$ 4,230,718	$ 4,243,760	$ 4,230,205	

The Company did not have any structured notes as of December 31, 2016.

P. 5* Securities

The Company does not have any investments with an NAIC designation of 5* as of December 31, 2017 and 2016.

Q. Short Sales — Not applicable.

R. Prepayment Penalty and Acceleration Fees — Not applicable.

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 excludes all investment income due and accrued amounts that are over 90 days past due from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

8. DERIVATIVE INSTRUMENTS

A–H. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset/(liability) at December 31, 2017 and 2016, are as follows:

	2017			2016			Change		
	1	2	3 (Col 1 + 2)	4	5	6 (Col 4 + 5)	7 (Col 1 - 4)	8 (Col 2 - 5)	9 (Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax ass	$ 3,939,140	$ 7,068	$ 3,946,208	$ 5,230,411	$ -	$ 5,230,411	$ (1,291,271)	$ 7,068	$ (1,284,203)
(b) Statutory valuation allowance adjustments	-	7,068	7,068	-	-	-	-	7,068	7,068
(c) Adjusted gross deferred tax assets (1a - 1b)	3,939,140	-	3,939,140	5,230,411	-	5,230,411	(1,291,271)	-	(1,291,271)
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - '	3,939,140	-	3,939,140	5,230,411	-	5,230,411	(1,291,271)	-	(1,291,271)
(f) Deferred tax liabilities	281,380	-	281,380	330,077	5,819	335,896	(48,697)	(5,819)	(54,516)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	$ 3,657,760	$ -	$ 3,657,760	$ 4,900,334	$ (5,819)	$ 4,894,515	$ (1,242,574)	$ 5,819	$ (1,236,755)

(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:

	2017			2016			Change		
Admission Calculation Components SSAP No. 101	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	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	$ 3,939,140	$ -	$ 3,939,140	$ 5,230,411	$ -	$ 5,230,411	$ (1,291,271)	$ -	$ (1,291,271)
(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	16,531,227	XXX	XXX	17,119,287	XXX	XXX	(588,060)
(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))	$ 3,939,140	$ -	$ 3,939,140	$ 5,230,411	$ -	$ 5,230,411	$ (1,291,271)	$ -	$ (1,291,271)

(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:

	2017	2016
(a) Ratio percentage used to determine recovery period and threshold limitation amount	402 %	437 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	$ 110,208,180	$ 114,128,580

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2017 and 2016, is presented below:

	2017		2016		Change	
	1	2	3	4	5	6
Impact of Tax-Planning Strategies	**Ordinary**	**Capital**	**Ordinary**	**Capital**	**(Col 1 - 3) Ordinary**	**(Col 2 - 4) 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)	$ 3,939,140	$ -	$ 5,230,411	$ -	$ (1,291,271)	$ -
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)	$ 3,939,140	$ -	$ 5,230,411	$ -	$ (1,291,271)	$ -
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 for the years ended December 31, 2017 and 2016.

C. Significant Components of Income Taxes

(1) The current federal income taxes incurred for the years ended December 31, 2017 and 2016 are as follows:

	1 2017	2 2016	3 (Col 1 - 2) Change
1. Current income tax			
(a) Federal	$ 13,757,766	$ 14,177,124	$ (419,358)
(b) Foreign	-	-	-
(c) Subtotal	13,757,766	14,177,124	(419,358)
(d) Federal income tax on net capital gains	(87,975)	462,583	(550,558)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	$ 13,669,791	$ 14,639,707	$ (969,916)

(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, 2017 and 2016, are as follows:

	1 2017	2 2016	3 (Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	$ 158,324	$ 277,340	$ (119,016)
(2) Unearned premium reserve	2,486,241	3,046,990	(560,749)
(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	1,293,459	1,894,489	(601,030)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	1,116	11,592	(10,476)
(99) Subtotal	3,939,140	5,230,411	(1,291,271)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	3,939,140	5,230,411	(1,291,271)
(e) Capital:			
(1) Investments	7,068	-	7,068
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	7,068	-	7,068
(f) Statutory valuation allowance adjustment	7,068	-	7,068
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	3,939,140	5,230,411	(1,291,271)
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	29,309	33,062	(3,753)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	252,071	297,015	(44,944)
(99) Subtotal	281,380	330,077	(48,697)
(b) Capital:			
(1) Investments	-	5,819	(5,819)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	-	5,819	(5,819)
(c) Deferred tax liabilities (3a99 + 3b99)	281,380	335,896	(54,516)
4 Net deferred tax assets/liabilities (2i - 3c)	$ 3,657,760	$ 4,894,515	$ (1,236,755)

The other ordinary deferred tax liability of $252,071 for 2017 and $297,015 for 2016 consists of premium acquisition expense.

On December 22, 2017, the U.S. federal government enacted a tax bill, H.R.1, An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (“Tax Reform”). Tax Reform changed existing United States tax law including a reduction of the U.S. corporate tax rate. The Company has accounted for the impacts of Tax Reform by remeasuring its deferred tax assets/(liabilities) at the 21% enacted tax rate. The approximate impact of the change in tax rate was a decrease in net deferred tax assets/(liabilities) of $2,438,507. This change is made up of the following components:

Change in net deferred income tax	$ 2,443,219
Change in net unrealized capital gains or (losses) less capital gains tax	-
Change in statutory valuation allowance adjustment	(4,712)
Change in nonadmitted deferred tax assets	-
Total	$ 2,438,507

The Company's deferred tax assets/(liabilities) for the year ended December 31, 2016 remain at the previously enacted tax rate. The Company's measurement of the income tax effects of Tax Reform for the year ended December 31, 2017 is reasonably estimated.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of $7,068 and $0 to reduce the gross deferred tax asset to $3,939,140 and $5,230,411 as of December 31, 2017 and 2016, respectively, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses and/or expectations for future taxable income.

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. A summarization of the significant items causing this difference as of December 31, 2017 and 2016 is as follows:

	2017		2016	
	Amount	**Effective Tax Rate**	**Amount**	**Effective Tax Rate**
Tax provision at the federal statutory rate	$ 13,054,030	35%	$ 9,569,812	35%
Tax-exempt interest	(338,929)	(1)%	(427,329)	(2)%
Health insurer fee	-	0%	4,938,359	18%
Other current year items	2,650	0%	-	0%
Tax effect of nonadmitted assets	(261,492)	(1)%	(635,814)	(2)%
Prior year true-up	-	0%	509,766	2%
Change in statutory valuation allowance	7,068	0%	-	0%
Change in tax law	2,443,219	7%	-	0%
Total statutory income taxes	$ 14,906,546	40%	$ 13,954,794	51%
Federal income taxes incurred	$ 13,757,766	37%	$ 14,177,124	52%
Capital gains tax	(87,975)	(0)%	462,583	2%
Change in net deferred income tax	1,236,755	3%	(684,913)	(3)%
Total statutory income taxes	$ 14,906,546	40%	$ 13,954,794	51%

E. At December 31, 2017, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable of $4,107,209 and $8,358,059 as of December 31, 2017 and 2016, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were $9,418,941 and $20,735,491 in 2017 and 2016, respectively.

Federal income taxes incurred of $13,669,791 and $14,129,941 for 2017 and 2016, 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 2016 and prior. UnitedHealth Group’s 2017 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 2011 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–N. 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 $80,370,126 and $65,143,372 in 2017 and 2016, respectively, and are included in GAE and CAE 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, GAE, and CAE $112,152,976 and $101,175,789 in capitation expenses, administrative services, and access fees paid to related parties during 2017 and 2016, respectively. United Behavioral Health provides mental health and substance abuse services. OptumHealth, a division of UHS, provides services including, but 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, as well as, access to a network of transplant providers. Dental Benefit Providers, Inc. provides dental care assistance. OptumHealth Care Solutions, Inc. provides chiropractic, physical therapy and complex medical conditions services. Spectera, Inc. provides administrative services related to vision benefit management and claims processing. The capitation expenses, administrative services, and access fees paid to related parties that are included as hospital and medical expenses, GAE, and CAE in the statutory basis statements of operations for the years ended December 31, 2017 and 2016, are shown below:

	2017	2016
United Behavioral Health	$ 111,725,952	$ 100,833,876
Dental Benefit Providers, Inc.	250,507	190,447
OptumHealth Care Solutions, Inc.	158,730	138,907
Spectera, Inc.	17,787	12,559
Total	$ 112,152,976	$ 101,175,789

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 $5,691,566 and $4,494,891 in 2017 and 2016, respectively, are included in GAE and CAE 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 these agreements in 2017 and 2016, which are calculated on a PMPM basis of $307,696 and $10,230, respectively, are included in hospital and medical expenses in the statutory basis statements of operations.

The Company has an agreement 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 $3,259,054 and $2,621,719 are included in CAE and GAE in the statutory basis statements of operations for the years ended December 31, 2017 and 2016, 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 payable amounts due to parent, subsidiaries, and affiliates, net in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

Effective April 1, 2016, the Company has an agreement with OrthoNet, LLC, (“OrthoNet”), an affiliate of the Company to provide utilization management and related management services for certain musculoskeletal procedures. These administrative services include but are not limited to prior authorization, medical management, claims, appeals and grievances. OrthoNet is paid a PMPM for the administrative services and the Company is responsible for the cost of medical services. For the administrative service, the amount recorded on a PMPM basis was $5,446,944 and $3,915,557, and are included in GAE in the statutory basis statements of operations for the year ended December 31, 2017 and 2016, respectively.

The Company has an agreement with AxelaCare Intermediate Holding, LLC, an affiliate of the Company, for home infusion therapy services. This agreement has been approved by the Department. The charges incurred for these services are included in hospital and medical expenses in the statutory basis financial statements for the years ended December 31, 2017 and 2016.

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 $1,003,033 and $885,010 in 2017 and 2016, respectively, are netted against net premium income in the statutory basis statement of operations. The insolvency reinsurance allows continued coverage to the enrollee through the date to which premiums were paid. Also, upon insolvency of the Company, each enrollee has the option to obtain an insurance policy with an affiliated entity. 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 Company also has a reinsurance agreement for its 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 $721,040 in 2017 and $643,130 in 2016 to UHIC under this agreement. Reinsurance recoveries of $1,382,939 and $83,068 as of December 31, 2017 and 2016, respectively, are included in net reinsurance recoveries in the statutory basis statements of operations.

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 $6,663,991 and $11,164,227 as of December 31, 2017 and 2016, respectively, were netted against net premium income in the statutory basis statement of operations. Reinsurance recoveries of $4,907,572 and $10,527,282 as of December 31, 2017 and 2016, respectively, are included in net reinsurance recoveries in the statutory basis statement of operations. The Company transferred GAE and CAE of $1,161,821 and $2,655,613 in 2017 and 2016, respectively, to UHIC under this agreement. The Company recorded receivables related to changes in reserve estimates that include changes related to medical loss ratio rebates of $345,681 and $775,504 in 2017 and 2016, 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 $504,108 and $793,239 in 2017 and 2016, 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 GAE and CAE of $0 and $13,052 in 2017 and 2016, respectively, which is included in other amounts receivable under reinsurance contracts 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.

The Company has a reinsurance agreement with an affiliated entity, Unimerica, to cede obligations relating to transplants, infertility, chiropractic, physical and occupational, and mental health and substance abuse treatments and services. The agreement has been approved by the Department. Reinsurance premiums, which are calculated on a PMPM basis, of $5,436,519 and $4,842,077 as of December 31, 2017 and 2016, respectively were netted against net premium income in the statutory basis statement of operations. Reinsurance recoveries of $5,840,313 and $5,356,150 as of December 31, 2017 and 2016, respectively are included in net reinsurance recoveries in the statutory basis statement of operations. There were $370,327 and $549,979 of amounts recoverable from reinsurers related to this agreement as of December 31, 2017 and 2016, respectively. The Company recorded receivables related to changes in reserve estimates that include changes related to medical loss ratio rebates of $947,768 and $849,873 in 2017 and 2016, 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. 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 reinsurance agreement was terminated effective December 31, 2017.

The effect of reinsurance with related parties on net premiums and total hospital and medical expenses for the years ended 2017 and 2016, is as follows:

	2017	**2016**
Earned premiums:		
Direct	$ 1,008,393,500	$ 816,919,565
Ceded	(13,824,583)	(17,534,443)
Net premium income	$ 994,568,917	$ 799,385,122
Hospital and medical expenses:		
Direct	$ 846,575,497	$ 758,484,194
Ceded	(12,130,824)	(15,966,500)
Net hospital and medical expenses	$ 834,444,673	$ 742,517,694

The Company holds a $50,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate both 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 agreement was renewed 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, 2017 and 2016.

At December 31, 2017 and 2016, the Company reported $6,470,620 and $23,921,040, respectively, as amounts due to 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 2017 and 2016 relating to this balance was $47,742 and $40,147, respectively. Interest expense is included in GAE 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, 2017 and 2016, the Company's portion was $52,576,719 and $12,626,791, 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 $26,800,000 and $64,700,000 in 2017 and 2016, respectively, to its parent (see Note 13).

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 does not have any investments in non-insurance subsidiaries, controlled, or affiliated entities.

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

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 2017 and 2016.

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) On November 16, 2017, the Company requested an extraordinary cash dividend of $15,000,000 to its parent company, UHS. The dividend was approved on December 27, 2017, and paid on December 29, 2017, which was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

On June 1, 2017, the Company declared an ordinary cash dividend of $11,800,000 to the sole shareholder, UHS, and was paid on June 13, 2017. The ordinary dividend complied with the provisions set forth in the statutes of Rhode Island. The dividend was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

On November 18, 2016, the Company requested an extraordinary cash dividend of $25,000,000 to its parent company, UHS. The dividend was approved on November 30, 2016, and paid on December 2, 2016, which was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company paid an ordinary cash dividend to UHS of $14,700,000 on June 7, 2016, 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.

On December 9, 2015, the Company requested an extraordinary dividend for $75,000,000 to UHS. On February 2, 2016, the Company received approval from the Department to pay an extraordinary dividend of $25,000,000, which was recorded in other liabilities as of December 31, 2015 in the statutory basis statement of admitted assets, liabilities and capital and surplus, and as a reduction to surplus within the related statutory basis statement of changes in capital and surplus. The dividend was paid on February 4, 2016.

(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) For the year ended December 31, 2017, the amount of the estimated Section 9010 ACA subsequent fee year assessment apportioned out of unassigned surplus was $21,259,771. As discussed in Note 1, in 2016 no amount was required to be apportioned out of unassigned surplus for the Section 9010 ACA subsequent fee year assessment.

(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:

	2017	2016	Change
Unrealized capital losses on investments less capital gains tax	$ (715)	$ -	$ (715)
Net deferred income taxes	$ 3,657,760	$ 4,894,515	$ (1,236,755)
Nonadmitted assets	(6,159,967)	(5,412,847)	(747,120)
Total	$ (2,502,922)	$ (518,332)	$ (1,984,590)

(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 Contingencies

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 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.

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.

On February 14, 2017, the Department of Justice ("DOJ") announced its decision to pursue certain claims within a lawsuit initially asserted against the Company and filed under seal by a whistleblower in 2011. The whistleblower's complaint, which was unsealed on February 15, 2017, alleges that the Company, along with a number of other Medicare Advantage plans, made improper risk adjustment submissions and violated the False Claims Act. On March 24, 2017, the DOJ intervened in a separate lawsuit initially asserted against the Company and filed by a whistleblower in 2009 concerning risk adjustment submissions by Medicare Advantage plans. On October 5, 2017, in one of the cases, the district court dismissed certain of the DOJ's claims with prejudice, and dismissed all of the DOJ's remaining claims with leave to file a further amended complaint. On October 12, 2017, the DOJ filed a notice of dismissal without prejudice of the case. The other case is now pending in the U.S. District Court for the Central District of California. The Company cannot reasonably estimate the outcome that may result from these matters given their current posture.

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 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 and is conducting 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.

To date, the Company has not been selected by CMS to participate in a RADV audit.

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 routinely evaluates the collectability of all receivable amounts included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no assets that the Company considers to be impaired at December 31, 2017 and 2016, except as disclosed in Note 5 and Note 20.

15. LEASES

A–B. According to the 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 have any 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 2017 and 2016.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

The Medicare Part D program is a partially insured plan. The Company recorded a liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus of $13,747,269 and $548,094 at December 31, 2017 and 2016, respectively, for cost reimbursement 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 $1,347,690 and $1,083,008 and also a payable of $3,271,539 and $2,828,159 at December 31, 2017 and 2016, respectively, for the Medicare Part D CGDP as described in Note 1, *Amounts Receivable Relating to Uninsured Plans* and *Liability for Amounts Held Under Uninsured Plans.*

The Company receives payments from CMS under the ACA Cost Sharing Reduction (“CSR”) program designed to reduce copayments, deductibles, and coinsurance for lower-income members. There is no insurance risk to the Company as a result of the CSR program. Overpayments from CMS are reported in liability for amounts held under uninsured plans and underpayments are reported in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has recorded a receivable of $3,752 and $0 and a liability of $0 and $258,152 for the CSR program as of December 31, 2017 and December 31, 2016, respectively.

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 2017 and 2016.

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.

Money-market funds activity is now included as a component of cash equivalents in 2017, whereas in 2016, money-market funds activity was included as a component of short-term investments. The amounts in the following disclosures and corresponding tables reflect this change in presentation.

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 tables present information about the Company's financial assets that are measured and reported at fair value at December 31, 2017 and 2016, 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, 2017 (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	52,576,719	-	-	52,576,719
Parent, subsidiaries, and affiliates	-	-	-	-
Total common stock	52,576,719	-	-	52,576,719
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	$ 52,576,719	$ -	$ -	$ 52,576,719
b. Liabilities at fair value:				
Derivative liabilities	$ -	$ -	$ -	$ -
Total liabilities at fair value	$ -	$ -	$ -	$ -

Description for Each Class of Asset or Liability	December 31, 2016 (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	12,626,791	-	-	12,626,791
Parent, subsidiaries, and affiliates	-	-	-	-
Total common stock	12,626,791	-	-	12,626,791
Derivative assets:				
Interest rate contracts	-	-	-	-
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total derivatives	-	-	-	-
Total assets at fair value	$ 12,626,791	$ -	$ -	$ 12,626,791
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, 2017 and 2016.

(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, 2017 or 2016.

(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, 2017 and 2016 is presented in the table below:

	2017					
Types of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
U.S. government and agency securities	$ 73,600,126	$ 73,999,608	$ 42,700,397	$ 30,899,729	$ -	$ -
State and agency municipal securities	22,861,724	22,394,152	-	22,861,724	-	-
City and county municipal securities	16,379,291	15,989,446	-	16,379,291	-	-
Corporate debt securities	97,746,336	97,879,799	-	97,746,336	-	-
Equity (including marketable common stock)	52,576,719	52,576,719	52,576,719	-	-	-
Total bonds and equity (including marketable common stocks)	$ 263,164,196	$ 262,839,724	$ 95,277,116	$ 167,887,080	$ -	$ -

	2016					
Types of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
U.S. government and agency securities	$ 63,105,089	$ 63,641,856	$ 33,046,518	$ 30,058,571	$ -	$ -
State and agency municipal securities	34,534,207	34,534,959	-	34,534,207	-	-
City and county municipal securities	16,356,862	16,515,879	-	16,356,862	-	-
Corporate debt securities	85,210,462	85,135,003	-	85,210,462	-	-
Money-market funds	6,961,423	6,961,423	6,961,423	-	-	-
Equity (including marketable common stock)	12,626,791	12,626,791	12,626,791	-	-	-
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 218,794,834	$ 219,415,911	$ 52,634,732	$ 166,160,102	$ -	$ -

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of $42,700,397 and $33,046,518 as of December 31, 2017 and December 31, 2016, respectively.

There are no U.S. Treasury securities included in U.S. government and agency securities in the fair value hierarchy tables above as of December 31, 2017 and 2016.

There are no commercial paper investments included in corporate debt securities in the fair value hierarchy tables above as of December 31, 2017 and 2016.

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

21. OTHER ITEMS

A. Unusual or Infrequent Items

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2017 and 2016.

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings as of December 31, 2017 and 2016.

C. Other Disclosures

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 that are not derivative instruments.

D. Business Interruption Insurance Recoveries

The Company has not received any business interruption insurance recoveries during 2017 and 2016.

E. State Transferable and Non-transferable Tax Credits

The Company has no transferable 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 have an NAIC designation 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:

2017

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

2016

	Actual Cost	Book/ Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	$ 249,525	$ 274,152	$ 339,819	$ -
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investment in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	$ 249,525	$ 274,152	$ 339,819	$ -

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

G. Retained Assets

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

H. Insurance-Linked Securities Contracts

As of December 31, 2017, the Company is not aware of any possible proceeds of insurance-linked securities.

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through February 28, 2018, 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, 2017, that require recognition and disclosure.

TYPE II — Non-Recognized Subsequent Events

The Company is subject to the annual fee under Section 9010 of the ACA. The 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, 2017, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018, and estimates its portion of the annual health insurance industry fee payable on September 30, 2018 to be $21,259,771. This amount has been apportioned out of unassigned surplus and is reflected as Section 9010 ACA subsequent fee year assessment in the statutory basis financial statements. In accordance with the 2017 HIF moratorium, no amounts were required to be apportioned out of unassigned surplus in 2016 (see Note 1). The Company's Authorized Control Level RBC ("ACL RBC") ratio was 410% as of December 31, 2017. Reporting the ACA assessment as a liability as of December 31, 2017 would not have triggered an RBC action level.

The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2017 and 2016:

	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	$ 21,259,771	
C. ACA fee assessment paid	-	$ 14,103,099
D. Premium written subject to ACA 9010 assessment	997,939,616	
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	113,865,940	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	92,606,169	
G. Authorized Control Level (Five-Year Historical Line 15)	27,751,581	
H. Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level (YES/NO)?	NO	

There are no other events subsequent to December 31, 2017 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 pursuant to the ACA for compliant individual policies (see Note 24).

The effect of both internal (see Note 10) and external reinsurance agreements outlined above on net premium income and hospital and medical expenses is presented below:

	2017	2016
Premiums:		
Direct	$ 1,008,393,500	$ 816,919,565
Ceded:		
Affiliate (Note 10)	(13,824,583)	(17,534,443)
Nonaffiliate	-	(31,579)
Net premium income	$ 994,568,917	$ 799,353,543
Hospital and medical expenses:		
Direct	$ 846,575,497	$ 758,484,194
Ceded:		
Affiliate (Note 10)	(12,130,824)	(15,966,500)
Nonaffiliate	(84,614)	(188,283)
Net hospital and medical expenses	$ 834,360,059	$ 742,329,411

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, 2017.

(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 2017 and 2016, there were no uncollectible reinsurance recoverables.

C. **Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2017 or 2016.

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 premiums and considerations and 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. Pursuant to the ACA, the Company's commercial business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the commercial lines of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the commercial lines of business subject to the retrospectively rated features was $11,465,240 and $18,829,713, representing 1% and 2% of total direct premiums written as of December 31, 2017 and 2016, respectively.

Pursuant to the ACA, the Company's Medicare business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the Medicare line of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the Medicare line of business subject to the retrospectively rated features was $464,509,207 and $356,610,513, representing 46% and 44% of total direct premiums written as of December 31, 2017 and 2016, respectively.

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 amount of Medicare Part D direct premiums written subject to the retrospectively rated feature was $23,507,555 and $17,887,688 representing, 2% and 2% of total direct premiums written for 2017 and 2016, respectively.

The Medicaid contract with the State of Rhode Island includes experience rebates. The rebate period is over the contract period, which is an June 30 year-end. The Company estimates accrued retrospective premium adjustments for its Medicaid business based on the tiered rebate formula provided in the contract. The formula is based on net income before taxes. The total amount of direct premiums written from the Medicaid contract for which a portion is subject to the retrospectively rated feature was $532,419,053 and $441,479,339, representing 53% and 54% of total direct premiums written as of December 31, 2017 and 2016, respectively.

D. The Company is required to maintain a specific minimum loss ratio on the comprehensive commercial and Medicare lines 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, 2017 and 2016:

	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	$ (227,218)	$ -	$ -	$ (2,688,181)	$ (2,915,399)
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss rebates unpaid	-	-	-	2,015,575	2,015,575
(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	2,015,575
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	-	-	-	5,814,047	5,814,047
(8) Medical loss ratio rebates paid	-	-	-	-	-
(9) Medical loss rebates unpaid	-	-	-	7,829,622	7,829,622
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	7,829,622

E. Risk-Sharing Provisions of the Affordable Care Act

(1) The Company has accident and health insurance premiums in 2017 and 2016 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 was effective from 2014 through 2016 and applied 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, were accounted for as ceded premium and payments received were accounted for as ceded benefit recoveries. The portion of the individual contributions earmarked for the U.S. Treasury was 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, were 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, applied 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 were 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, 2017**
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment	$	-
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		3,412
3. Premium adjustments payable due to ACA Risk Adjustment		1,612,555
Operations (revenue & expense)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		(617,014)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)		3,242
b. Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance	$	43,004
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)		-
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		-
5. Ceded reinsurance premiums payable due to ACA Reinsurance		-
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance		-
Operations (revenue & expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance		-
8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments		84,614
9. ACA Reinsurance contributions—not reported as ceded premium		-
c. Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premium due to ACA Risk Corridors	$	-
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		-
Operations (revenue & expense)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		6
4. Effect of ACA Risk Corridors on change in reserves for rate credits		-

(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:

	the Prior Year on Business Written before December 31 of the Prior Year		the Current Year on Business Written before December 31 of the Prior Year		Accrued Less Payments (Col 1 - 3)	Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Balance from Prior Years (Col 1 - 3 + 7)	Balance from Prior Years (Col 2 - 4 + 8)
	1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	Ref	9 Receivable	10 (Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium Adjustment Receivable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	A	$ -	$ -
2. Premium Adjustment (Payable)	-	(5,264,319)	-	(4,268,777)	-	(995,542)	-	995,542	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	(5,264,319)	-	(4,268,777)	-	(995,542)	-	995,542		-	-
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	176,697	-	235,340	-	(58,643)	-	101,646	-	C	43,003	-
2. Amounts recoverable for claims unpaid (contra liability)	17,032	-	-	-	17,032	-	(17,032)	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium	-	(129,005)	-	(117,866)	-	(11,139)	-	11,139	F	-	-
5. Ceded reinsurance premiums payable	-	(20,440)	-	(31,579)	-	11,139	-	(11,139)	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	193,729	(149,445)	235,340	(149,445)	(41,611)	-	84,614	-		43,003	-
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	-	-	6	-	(6)	-	6	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	-
3. Subtotal ACA Risk Corridors Program	-	-	6	-	(6)	-	6	-		-	-
d. Total for ACA Risk-Sharing Provisions	$ 193,729	$(5,413,764)	$ 235,346	$(4,418,222)	$ (41,617)	$ (995,542)	$ 84,620	$ 995,542		$ 43,003	$ -

Explanation of Adjustments

A. N/A

B. The risk adjustment payable as of December 31, 2017 was adjusted based on the final CMS Summary Report on Transitional Reinsurance Payments and the Permanent Risk Adjustment Transfers for the 2016 Benefit Year. The risk adjustment payable as of December 31, 2016 utilized paid claims through October 31, 2016. The adjustment to the December payable balance reflects the true up to final results for the 2016 Benefit Year.

C. The reinsurance receivable as of December 31, 2017 was adjusted based on the final CMS Summary Report on Transitional Reinsurance Payments and the Permanent Risk Adjustment Transfers for the 2016 Benefit Year. The adjustment to the amounts recoverable for paid claims was driven by the true up to the HHS Reinsurance Program coinsurance rate of 52.9%.

D. The adjustment to the amounts recoverable for claims unpaid reflects the termination of the reinsurance program as all recovery amounts are now known.

E. N/A

F. Reclassification of amounts reported on Line 5 as of prior year end.

G. Reclassification of amounts reported on Line 4 as of prior year end.

H. N/A

I. The adjustment to accrued retrospective premium reflects a true up to actual cash receipts.

J. N/A

(4) The following table discloses risk corridor receivables and payables by risk corridor program year:

	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
Risk Corridors Program Year:	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	$ -	$ -	$ 6	$ -	$ (6)	$ -	$ (6)	$ -	A	$ -	$ -
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	B	-	-
b. 2015											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	C	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	D	-	-
c. 2016											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	E	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	F	-	-
d. Total for Risk Corridors	$ -	$ -	$ 6	$ -	$ (6)	$ -	$ (6)	$ -		$ -	$ -

Explanation of Adjustments

A.
B.
C.
D.
E.
F.

(5) The following table discloses ACA risk corridor receivable balances by risk corridor program year:

	1	2	3	4	5	6
Risk Corridors Program Year:	**Estimated Amount to be Filed or Final Amount Filed with CMS**	**Non-Accrued Amounts for Impairment or Other Reasons**	**Amounts received from CMS**	**Asset Balance (Gross of Non-admissions) (1-2-3)**	**Non-admitted Amount**	**Net Admitted Asset (4-5)**
a. 2014	$ 763	$ 642	$ 121	$ -	$ -	$ -
b. 2015	-	-	-	-	-	-
c. 2016	-	-	-	-	-	-
d. Total (a+b+c)	$ 763	$ 642	$ 121	$ -	$ -	$ -

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

A. 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 and other amounts receivable (excluding provider loans and advances not yet expensed) and reinsurance recoverables for the years ended December 31, 2017 and 2016:

	2017		
	Current Year Incurred Claims	**Prior Years Incurred Claims**	**Total**
Beginning of year claim reserve	$ -	$ (101,692,162)	$ (101,692,162)
Paid claims—net of health care receivables and reinsurance recoveries collected	777,385,550	60,516,527	837,902,077
End of year claim reserve	100,227,752	2,213,433	102,441,185
Incurred claims excluding the change in health care receivables and reinsuance recoverables as presented below	877,613,302	(38,962,202)	838,651,100
Beginning of year health care receivables and reinsurance recoverables	-	21,428,587	21,428,587
End of year health care receivables and reinsurance recoverables	(23,693,553)	(3,026,073)	(26,719,626)
Total incurred claims	$ 853,919,749	$ (20,559,688)	$ 833,360,061

	2016		
	Current Year Incurred Claims	**Prior Years Incurred Claims**	**Total**
Beginning of year claim reserve	$ -	$ (133,051,111)	$ (133,051,111)
Paid claims—net of health care receivable and reinsurance recoveries collected	662,878,111	107,178,583	770,056,694
End of year claim reserve	99,678,833	2,013,329	101,692,162
Incurred claims excluding the change in health care receivable and reinsurance recoverables as presented below	762,556,944	(23,859,199)	738,697,745
Beginning of year health care receivable and reinsurance recoverables	-	25,060,253	25,060,253
End of year health care receivable and reinsurance recoverables	(18,854,038)	(2,574,549)	(21,428,587)
Total incurred claims	$ 743,702,906	$ (1,373,495)	$ 742,329,411

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, net of health care and other amounts receivable, and reinsurance recoverables as of December 31, 2016 was $80,263,575. As of December 31, 2017 $60,516,527 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care and other amounts receivable and reinsurance recoverables are now ($812,640), as a result of re-estimation of unpaid claims. Therefore, there has been $20,559,688 favorable prior year development since December 31, 2016 to December 31, 2017. The primary drivers consist of favorable development as a result of a change in the provision for adverse deviations in experience of $14,867,612 and favorable development of $4,456,293 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. At December 31, 2016, the Company recorded $1,373,495 of favorable development related to a change in the provision for adverse deviations in experience of $3,460,394, favorable development of $232,327 in retroactivity for inpatient, outpatient, physician, and pharmacy claims; partially offset by unfavorable development of $1,268,913 in capitation and $1,043,769 in Medicare risk share expenses. Original estimates are increased or decreased, as additional information becomes known regarding individual claims, including the medical loss ratio rebate accrual. Included in this 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 CAE of $41,311,669 and $35,545,115 in 2017 and 2016, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of its Agreement (see Note 10). The following table discloses paid CAE, incurred CAE, and the balance in unpaid CAE reserve for 2017 and 2016:

	2017	2016
Total claims adjustment expenses	$ 41,311,669	$ 35,545,115
Less: current year unpaid claims adjustment expenses	(965,946)	(1,083,143)
Add: prior year unpaid claims adjustment expenses	1,083,143	800,248
Total claims adjustment expenses paid	$ 41,428,866	$ 35,262,220

B. The Company did not make any significant changes in methodologies and assumptions used in the calculation of the liability for claims unpaid and unpaid CAE in 2017.

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2017 or 2016.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2017 or 2016.

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 and excluded 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 pharmacy rebate transaction 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
12/31/2017	$ 9,510,207				
9/30/2017	9,449,099	8,964,779	5,444,708		
6/30/2017	9,311,994	9,339,700	6,227,205	2,391,964	
3/31/2017	8,519,272	8,471,461	3,746,452	3,098,535	1,222,688
12/31/2016	7,136,929	7,110,405	4,489,856	1,742,228	759,991
9/30/2016	7,313,263	7,262,824	4,712,704	1,669,956	780,893
6/30/2016	7,054,354	7,049,380	5,098,654	1,656,313	246,612
3/31/2016	6,173,989	6,379,270	4,115,438	1,903,400	202,016
12/31/2015	5,089,774	5,120,966	3,790,016	1,245,072	42,439
9/30/2015	5,088,666	5,049,912	3,927,766	617,928	489,868
6/30/2015	5,368,266	5,773,119	3,650,050	1,055,516	715,547
3/31/2015	4,351,366	4,617,750	2,779,913	916,279	666,333

Of the amount reported as health care and other amounts receivable, $13,074,139 and $9,028,570 relates to pharmacy rebates receivable as of December 31, 2017 and 2016, respectively. This increase is primarily due to increased membership along with the change in generic/name brand mix.

In addition, the Company also admitted $5,035,840 and $6,076,753 for receivables from the State of Rhode Island for the stop loss program as of December 31, 2017 and December 31, 2016, respectively, which are included in health care and other amounts receivable in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company also admitted $1,940,992 and $1,524,403 for provider overpayments receivables as of as of December 31, 2017 and December 31, 2016, respectively.

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

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2017 or 2016.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2017 or 2016. The analysis of premium deficiency reserves was completed as of December 31, 2017 and 2016. 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, 2017 and 2016:

	2017
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2017
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

	2016
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2016
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, 2017 and 2016, 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. 12/31/2014

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/06/2016

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

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

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

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

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

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

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,
7.21 State the percentage of foreign control; %
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?
Gary A. Iannone, Vice President of Actuarial Services of United HealthCare Services Inc., an affiliate of UnitedHealthcare of New England, Inc., Mail Route CT 039-004A, 185 Asylum Street, Hartford, CT 06103

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).
Non-material updates to existing Code.

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 $ 0
- 20.12 To stockholders not officers $ 0
- 20.13 Trustees, supreme or grand (Fraternal Only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $ 0
- 20.22 To stockholders not officers $ 0
- 20.23 Trustees, supreme or grand (Fraternal Only) $ 0

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

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $ 0
- 21.22 Borrowed from others $ 0
- 21.23 Leased from others $ 0
- 21.24 Other $ 0

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

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $ 598
- 22.22 Amount paid as expenses $ 4,116
- 22.23 Other amounts paid $ 0

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

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

INVESTMENT

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

24.02 If no, give full and complete information relating thereto

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

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 $ 1,183,588
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 [X]
If no, attach a description with this statement.

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

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

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

28.01 For 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

GENERAL INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
Internally Managed	I
JPMorgan Investment Management Inc.	U
Deutsche Investment Management Americas Inc.	U

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107038	JPMorgan Investment Management Inc.	549300W78QHV4XMM6K69	SEC	NO
104518	Deutsche Investment Management Americas Inc.	CZ83K4EEEX8QVCT3B128	SEC	NO

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	210,263,005	210,587,476	324,471
30.2 Preferred stocks	0		0
30.3 Totals	210,263,005	210,587,476	324,471

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:
N/A

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

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements of each self-designated 5*GI security:
    a. Documentation necessary to permit a full credit analysis of the security does not exist.
    b. Issuer or obligor is current on all contracted interest and principal payments.
    c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
    Has the reporting entity self-designated 5*GI securities? Yes [ ] No [X]

OTHER

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

34.2 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

35.1 Amount of payments for legal expenses, 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 payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

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

36.2 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	994,568,917	799,353,543
2.2	Premium Denominator	994,568,917	799,353,543
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	121,718,626	116,519,966
2.5	Reserve Denominator	121,718,626	116,519,966
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 116,101

8.2 Number of providers at end of reporting year 130,815

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	$	3,912,050
10.22 Amount actually paid for year bonuses	$	4,804,753
10.23 Maximum amount payable withholds	$	692,172
10.24 Amount actually paid for year withholds	$	404,865

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. $ 500,000
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]
11.6 If the amount is calculated, show the calculation
Rhode Island Section 27-2-6

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 licensed to operate in Bristol, Essex, Hampden, Middlesex, Plymouth, Suffolk and Worcester Counties in Massachusetts; Carroll, Cheshire, Coos, Grafton, Hillsborough, Rockingham, Strafford and Sullivan Counties in New Hampshire; Allegheny, Beaver, Berks, Bucks, Butler, Chester, Clarion, Crawford, Erie, Fayette, Forest, Greene, Jefferson, Lawrence, Lehigh, Mercer, Northampton, Venango, Warren, Washington, Westmorel and York Counties in Pennsylvania; and Addison, Bennington, Lamoille, Orange, Rutland, Washington, 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 [X] N/A [ ]
14.2 If the answer to 14.1 is yes, please provide the following:

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

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

15.1 Direct Premium Written	$	0
15.2 Total Incurred Claims	$	0
15.3 Number of Covered Lives		0

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

FIVE-YEAR HISTORICAL DATA

		1 2017	2 2016	3 2015	4 2014	5 2013
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	326,393,907	313,457,743	363,879,319	314,932,410	230,857,665
2.	Total liabilities (Page 3, Line 24)	212,527,967	194,434,648	216,727,141	154,189,824	106,365,828
3.	Statutory minimum capital and surplus requirement	500,000	500,000	69,660,349	61,189,199	56,812,808
4.	Total capital and surplus (Page 3, Line 33)	113,865,940	119,023,095	147,152,178	160,742,586	124,491,837
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	974,456,602	866,616,544	768,507,753	691,474,080	587,469,998
6.	Total medical and hospital expenses (Line 18)	834,360,059	742,329,411	636,773,318	569,208,614	537,123,100
7.	Claims adjustment expenses (Line 20)	41,030,276	35,545,115	33,925,904	24,246,067	21,334,840
8.	Total administrative expenses (Line 21)	65,809,703	66,936,345	53,702,329	45,849,999	36,404,326
9.	Net underwriting gain (loss) (Line 24)	33,256,564	21,805,673	44,106,202	55,073,412	(10,002,151)
10.	Net investment gain (loss) (Line 27)	4,532,661	5,466,275	5,193,024	4,601,585	5,506,364
11.	Total other income (Lines 28 plus 29)	(404,021)	(392,212)	(228,325)	(66,768)	279,638
12.	Net income or (loss) (Line 32)	23,627,439	12,702,612	27,515,049	36,672,417	(2,841,188)
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	89,757,833	(52,679,213)	49,512,520	87,074,471	(2,284,097)
	Risk-Based Capital Analysis					
14.	Total adjusted capital	113,865,940	119,023,095	147,152,178	160,742,586	124,491,837
15.	Authorized control level risk-based capital	27,751,581	26,134,860	25,331,036	22,250,618	20,659,206
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	144,096	127,755	114,216	98,164	82,392
17.	Total members months (Column 6, Line 7)	1,708,301	1,481,654	1,337,201	1,124,016	989,309
	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)	85.6	85.7	82.9	82.3	91.4
20.	Cost containment expenses	2.6	2.3	2.3	1.7	1.8
21.	Other claims adjustment expenses	1.7	1.8	2.1	1.8	1.8
22.	Total underwriting deductions (Line 23)	96.6	97.5	94.3	92.0	101.7
23.	Total underwriting gain (loss) (Line 24)	3.4	2.5	5.7	8.0	(1.7)
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	61,223,802	108,204,646	83,845,506	38,291,032	46,995,592
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	81,783,492	109,578,140	88,637,733	54,320,689	53,797,208
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)			0		0
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					
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	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
			Direct Business Only							
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	4,746	137,684,770					137,689,516	
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		46,042,893					46,042,893	
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		73,486,684					73,486,684	
40. Rhode Island	RI	L	11,460,494	192,852,668	532,419,053				736,732,215	
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		14,442,192					14,442,192	
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	11,465,240	464,509,207	532,419,053	0	0	0	1,008,393,500	0
60. Reporting entity contributions for Employee Benefit Plans		XXX							0	
61. Total (Direct Business)		(a) 5	11,465,240	464,509,207	532,419,053	0	0	0	1,008,393,500	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.

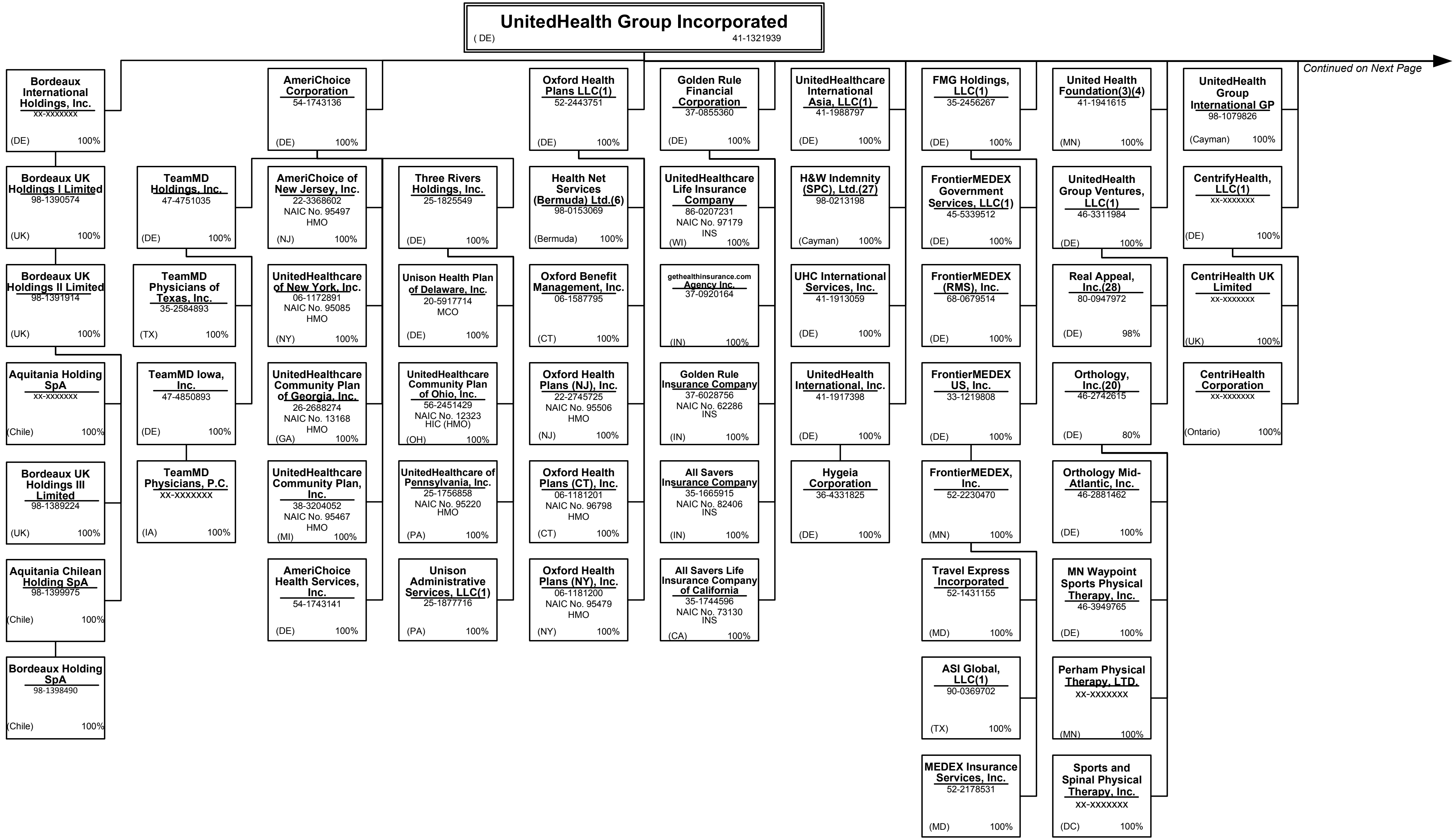
Explanation of basis of allocation by states, premiums by state, etc.

Premiums are allocated by state based on geographic market.

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

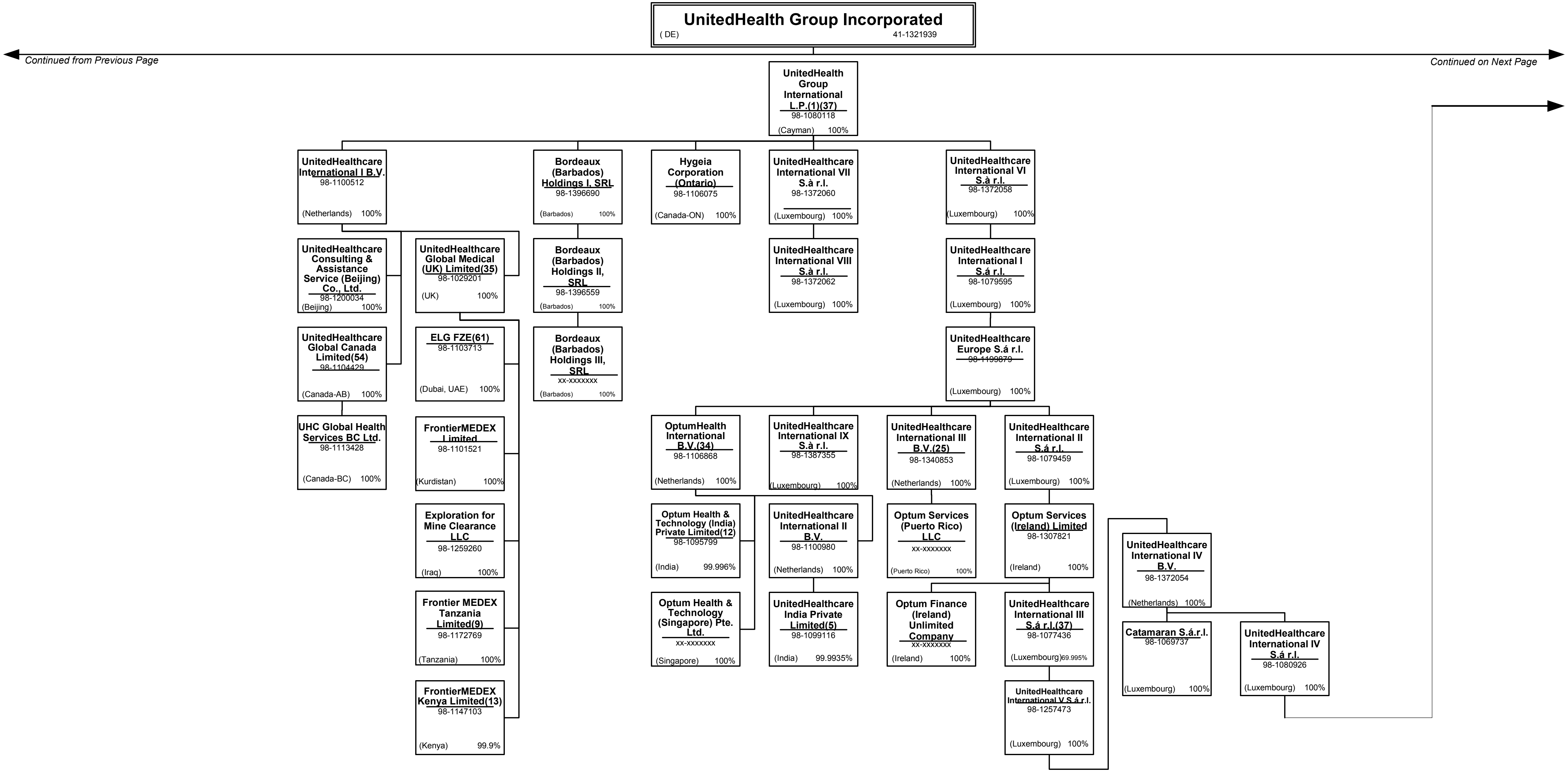
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



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

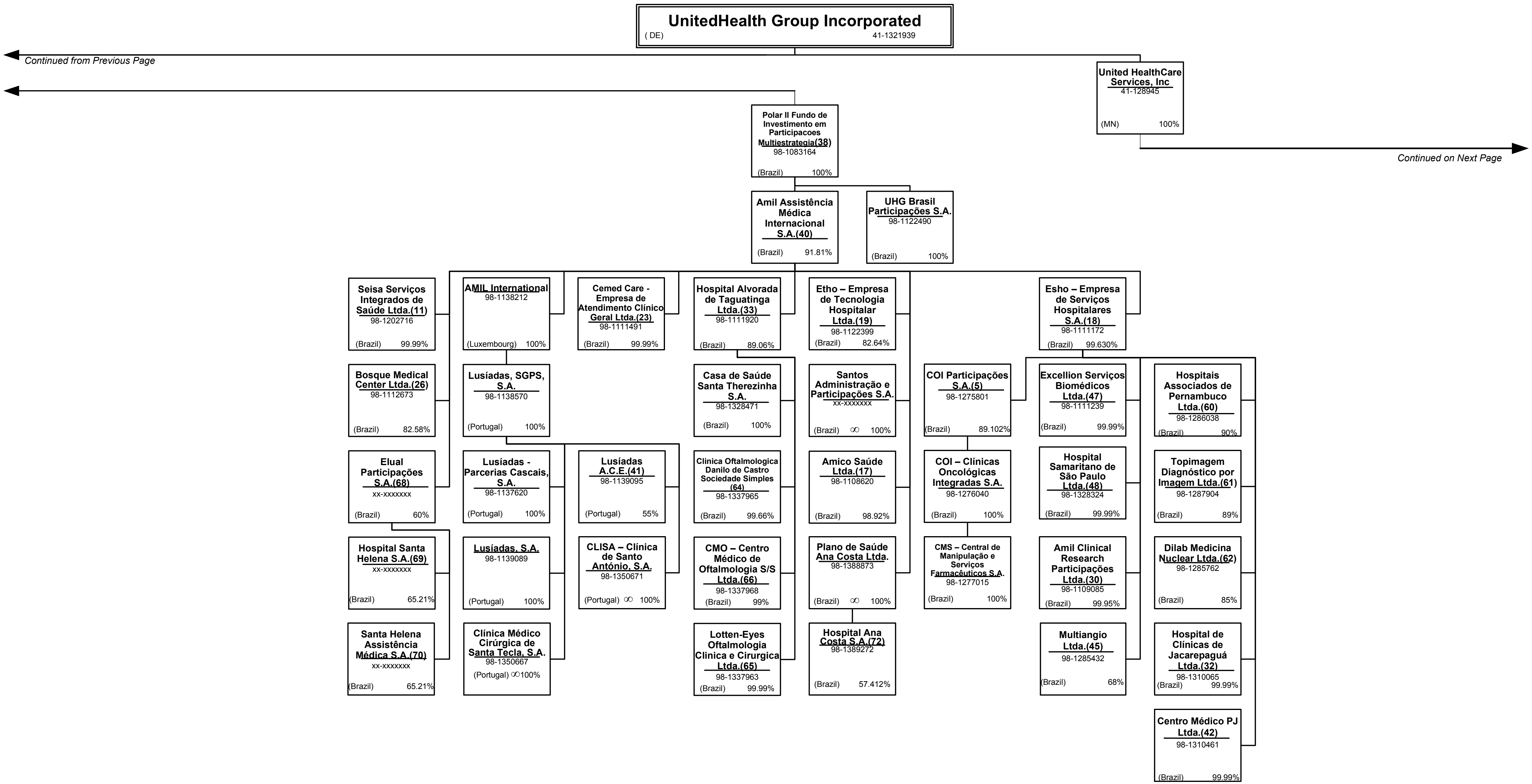
PART 1 – ORGANIZATIONAL CHART



40.1

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

PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

United HealthCare Services, Inc. (MN) 41-1289245 100%

Continued from Previous Page

Continued on Next Page

- **Specialty Benefits, LLC(1)** 41-1921983 (DE) 100%
- **March Holdings, Inc.** 20-2880404 (CA) 100%
- **March Vision Care, Inc.** 20-3042852 (CA) 100%
- **National MedTrans, LLC(1)** 47-2336925 (NY) ∞ 100%
- **TriMed, LLC(1)** 47-5088596 (UT) ∞ 100%
- **Metropolitan Medical Transportation IPA, LLC(1)** 20-8998927 (NY) ∞ 100%
- **Florida MedTrans Network MSO LLC(1)** 36-4778512 (FL) ∞ 100%
- **Florida MedTrans Network LLC(1)** 32-0432993 (FL) ∞ 100%

- **UnitedHealthcare Specialty Benefits, LLC(1)** 01-0518346 (ME) 100%
- **Spectera, Inc.** 52-1260282 (MD) 100%
- **Spectera of New York, IPA, Inc.** 71-0886811 (NY) 100%
- **California MedTrans Network MSO LLC(1)** 36-4780748 (CA) ∞ 100%
- **California MedTrans Network IPA LLC(1)** 61-1732160 (CA) ∞ 100%

- **Medical Transportation Services, LLC(1)** 32-0037402 (FL) 100%
- **UnitedHealthcare Benefits Plan of California** 47-3221444 Knox Keene: 933 0517 (CA) 100%
- **Symphonix Health Holdings, LLC(1)** 46-1536748 (DE) 100%
- **Symphonix Health Insurance, Inc.** 38-2044243 NAIC No. 84549 INS (IL) 100%
- **Ovations, Inc.** 41-1921007 (DE) 100%
- **UnitedHealthcare Integrated Services, Inc.** 86-0618309 HMO (AZ) 100%
- **UnitedHealthcare Community Plan of Texas, L.L.C.(1)** 91-2008361 NAIC No. 11141 HMO (TX) 100%
- **Evercare Collaborative Solutions, Inc.** 86-0964571 (DE) 100%

- **Humedica, Inc.** 26-2912304 (DE) 100%
- **XLHealth Corporation** 52-2102846 (MD) 100%
- **Care Improvement Plus South Central Insurance Company** 20-3888112 NAIC No. 12567 INS (AR) 100%
- **XLHealth Corporation India Private Limited** 98-1107695 (India) 100%
- **Care Improvement Plus Group Management, LLC (1)** 20-8375685 (MD) 100%
- **Care Improvement Plus of Texas Insurance Company** 45-4976934 NAIC No. 12558 INS (TX) 100%
- **Care Improvement Plus Wisconsin Insurance Company** 27-5038136 NAIC No. 14041 INS (WI) 100%

- **SharedClarity LLC** 45-4233576 (DE) 100%
- **Dental Benefit Providers, Inc.** 41-2014834 (DE) 100%
- **Dental Benefit Providers of California, Inc.** 52-1452809 Knox Keene 933-0255 (CA) 100%
- **Dental Benefit Providers of Illinois, Inc.** 36-4008355 NAIC No. 52053 LHSO (HMO) (IL) 100%
- **DBP Services of New York IPA, Inc.** 52-1811176 (NY) 100%
- **Nevada Pacific Dental** 88-0228572 NAIC No. 95758 PLHSO (HMO) (NV) 100%
- **National Pacific Dental, Inc.** 76-0196559 NAIC No. 95251 HMO (TX) 100%

- **Physicians Health Plan of Maryland, Inc.** 52-1162824 (MD) 100%
- **PHC Subsidiary Holdings, LLC(1)** 35-2288416 (TX) 100%
- **Physicians Health Choice of Texas, LLC(1)** 04-3677255 NAIC No. 11494 HMO (TX) 100%
- **Rocky Mountain Health Maintenance Organization, Incorporated** 84-0614905 NAIC No. 95482 HMO (CO) 100%
- **Rocky Mountain Health Management Corporation** 84-1009248 (CO) 100%
- **Rocky Mountain HealthCare Options, Inc.** 84-1224718 NAIC No. 47004 INS (CO) 100%
- **CNIC Health Solutions, Inc.** 71-0873411 (CO) 100%

- **UHIC Holdings, Inc.** 41-1921008 (DE) 100%
- **UnitedHealthcare Insurance Company(47)** 36-2739571 NAIC No. 79413 INS (CT) 100%
- **UnitedHealthcare Insurance Company of Illinois** 36-3800349 NAIC No. 60318 INS (IL) 100%
- **UnitedHealthcare Insurance Company of New York** 11-3283886 NAIC No. 60093 INS (NY) 100%
- **Oxford Health Insurance, Inc.** 22-2797560 NAIC No. 78026 INS (NY) 100%
- **UnitedHealthcare Service LLC(1)** 47-0854646 (DE) 100%
- **Duncan Printing Services, LLC(1)** XX-XXXXXXX (SC) 100%
- **5995 Minnetonka, LLC(1)** XX-XXXXXXX (DE) 100%

- **UnitedHealthcare Community Plan of California, Inc.** 46-4348775 Knox Keene: 933 0499 (CA) 100%
- **Unimerica Life Insurance Company of New York** 01-0637149 NAIC No. 11596 INS (NY) 100%
- **UnitedHealthcare of New Mexico, Inc.** 26-2697886 NAIC No. 13214 HMO (NM) 100%
- **EP Campus I, LLC(1)** XX-XXXXXXX (DE) 100%
- **OneNet PPO, LLC(1)** 52-2129786 (MD) 100%
- **MAMSI Insurance Resources, LLC(1)** 52-2129787 (MD) 100%

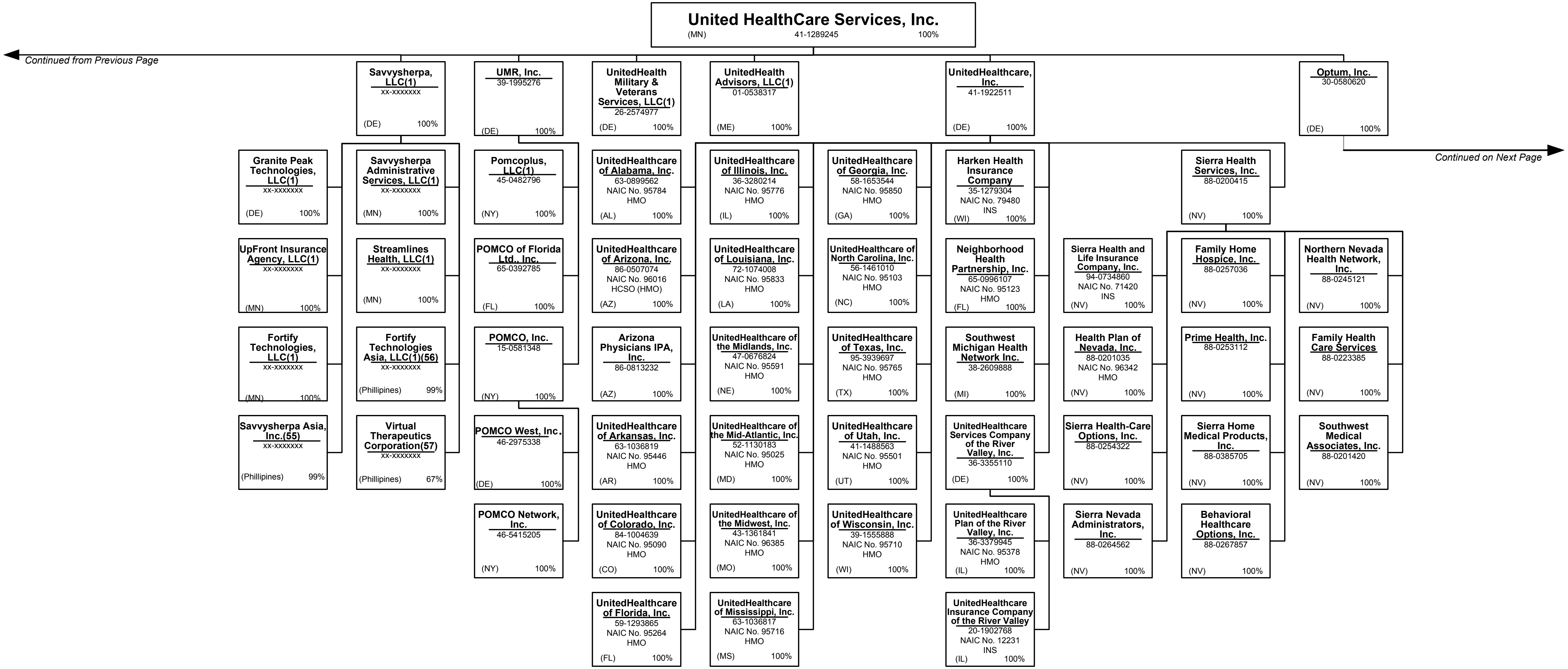
- **UnitedHealthcare of New England, Inc.** 05-0413469 NAIC No. 95149 HMO (RI) 100%
- **UnitedHealthcare of Ohio, Inc.** 31-1142815 NAIC No. 95186 HCSO (HMO) (OH) 100%
- **UnitedHealthcare of Kentucky, Ltd.(2)(8)** 62-1240316 NAIC No. 96644 HMO (KY) 94.18%
- **Medica HealthCare Plans, Inc.** 01-0788576 NAIC No. 12155 HMO (FL) 100%
- **Medica Health Plans of Florida, Inc.** 20-3391186 NAIC No. 12756 HMO (FL) 100%
- **Preferred Care Partners Holding, Corp.** 65-0683927 (FL) 100%
- **Preferred Care Partners Medical Group, Inc.** 26-1845018 (FL) 100%
- **Preferred Care Partners, Inc.** 65-0885893 NAIC No. 11176 HMO (FL) 100%

- **PacifiCare of Arizona, Inc.** 94-3267522 NAIC No. 95617 HCSO (HMO) (AZ) 100%
- **PacifiCare of Colorado, Inc.** 84-1011378 NAIC No. 95434 HMO (CO) 100%
- **UnitedHealthcare of Oklahoma, Inc.** 33-0115166 NAIC No. 96903 HMO (OK) 100%
- **UnitedHealthcare Benefits of Texas, Inc.** 33-0115163 NAIC No. 95174 HMO (TX) 100%
- **MD-Individual Practice Association, Inc.** 52-1169135 NAIC No. 96310 HMO (MD) 100%
- **MAMSI Life and Health Insurance Company** 52-1803283 NAIC No. 60321 INS (MD) 100%
- **Optimum Choice, Inc.** 52-1518174 NAIC No. 96940 HMO (MD) 100%
- **PacifiCare Life and Health Insurance Company** 35-1137395 NAIC No. 70785 INS (IN) 100%

- **UHC of California** 95-2931460 Knox Keene 933-0126 (CA) 100%
- **PacifiCare of Nevada, Inc.** 86-0875231 NAIC No. 95685 HMO (NV) 100%
- **UnitedHealthcare of Oregon, Inc.** 93-0938819 NAIC No. 95893 HCSC (HMO) (OR) 100%
- **UnitedHealthcare of Washington, Inc.** 91-1312551 NAIC No. 48038 HCSC (HMO) (WA) 100%
- **PacifiCare Life Assurance Company** 95-2829463 NAIC No. 84506 INS (CO) 100%
- **UHCG Holdings (Ireland) Limited** 98-1372063 (Ireland) 100%
- **UHCG Services (Ireland) Limited** 98-1372064 (Ireland) 100%
- **UnitedHealthcare Risk Designated Activity Company** 98-1372065 (Ireland) 100%

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

PART 1 – ORGANIZATIONAL CHART



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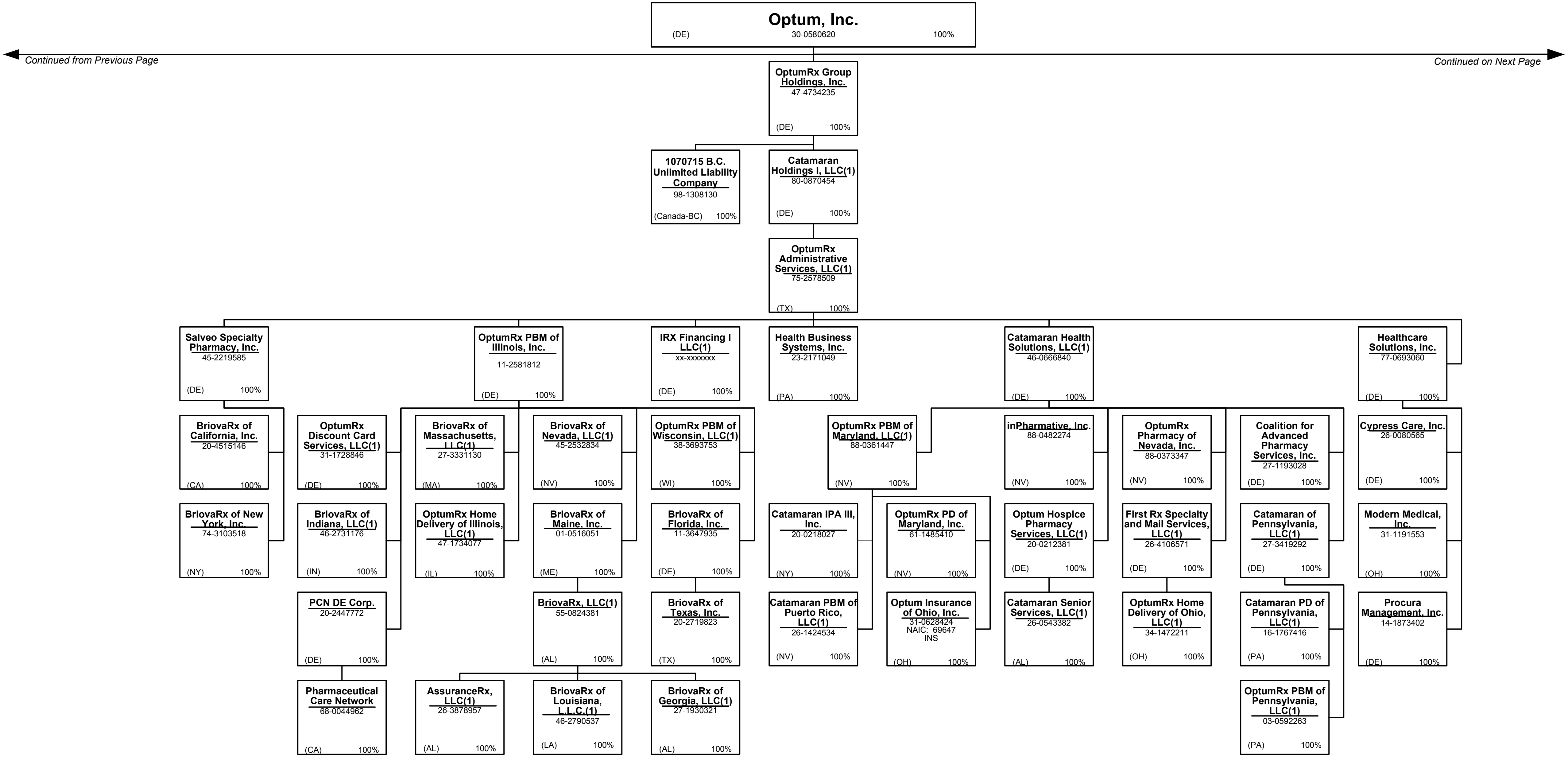
PART 1 – ORGANIZATIONAL CHART



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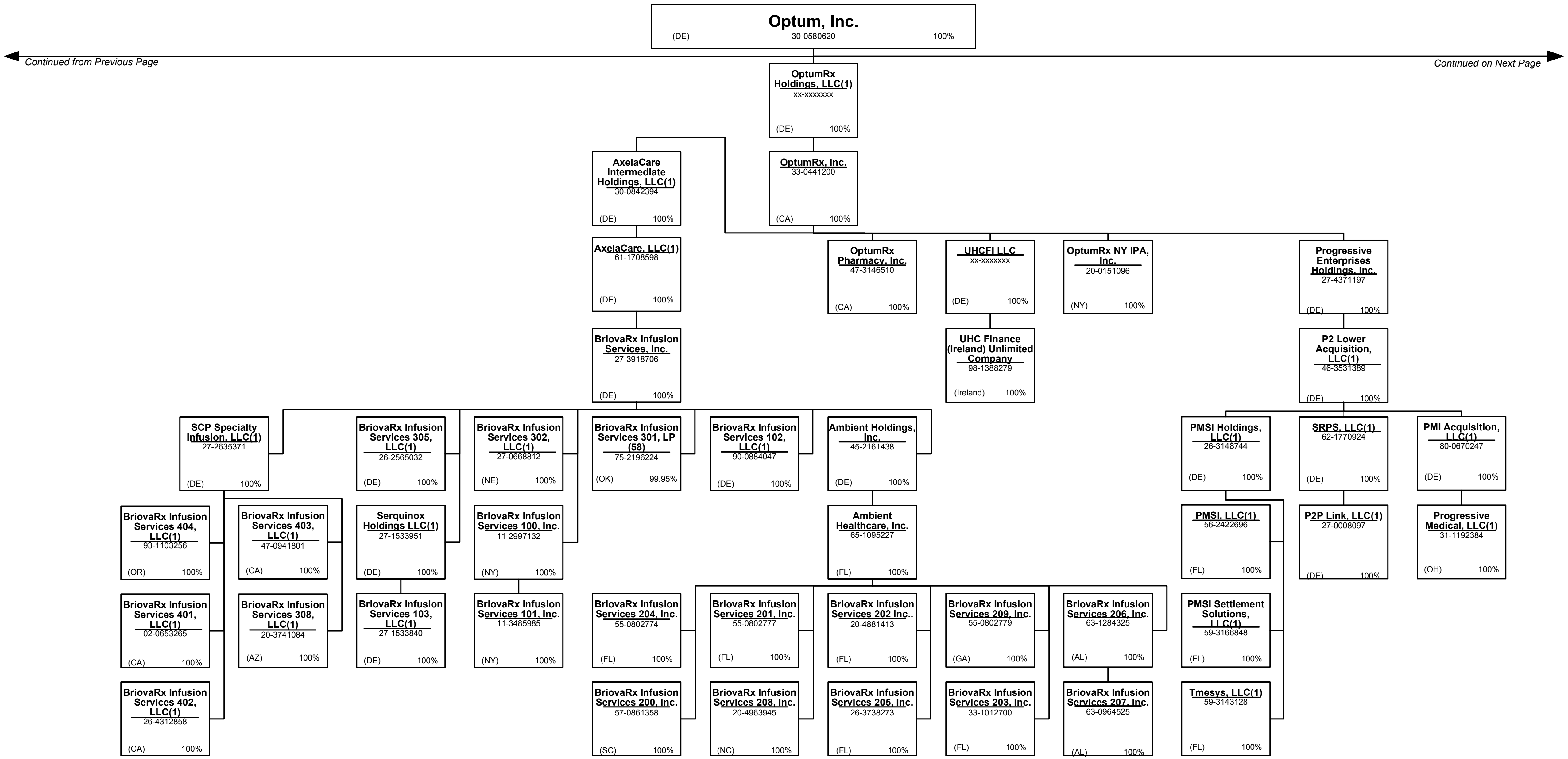
PART 1 – ORGANIZATIONAL CHART



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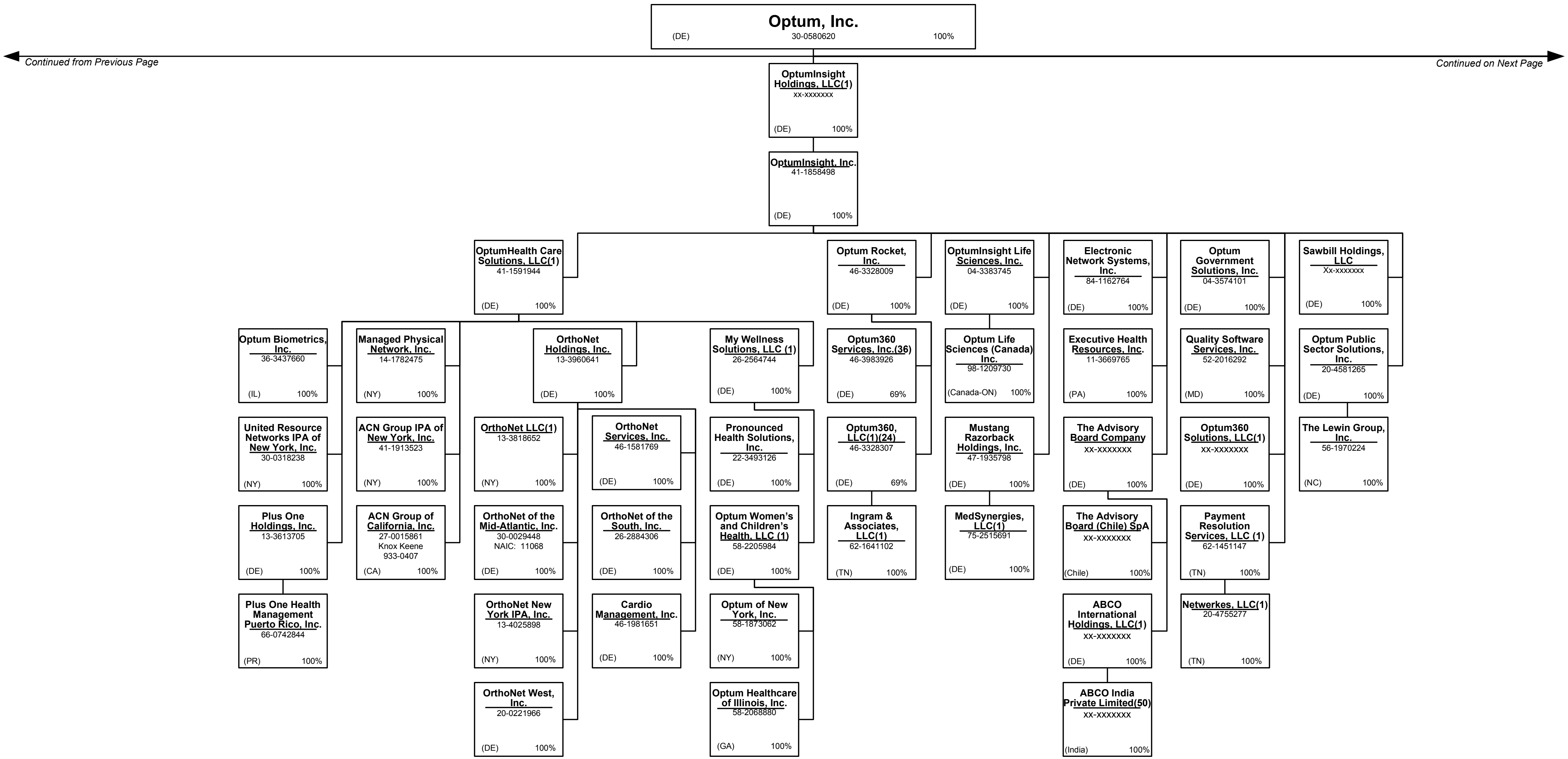
PART 1 – ORGANIZATIONAL CHART



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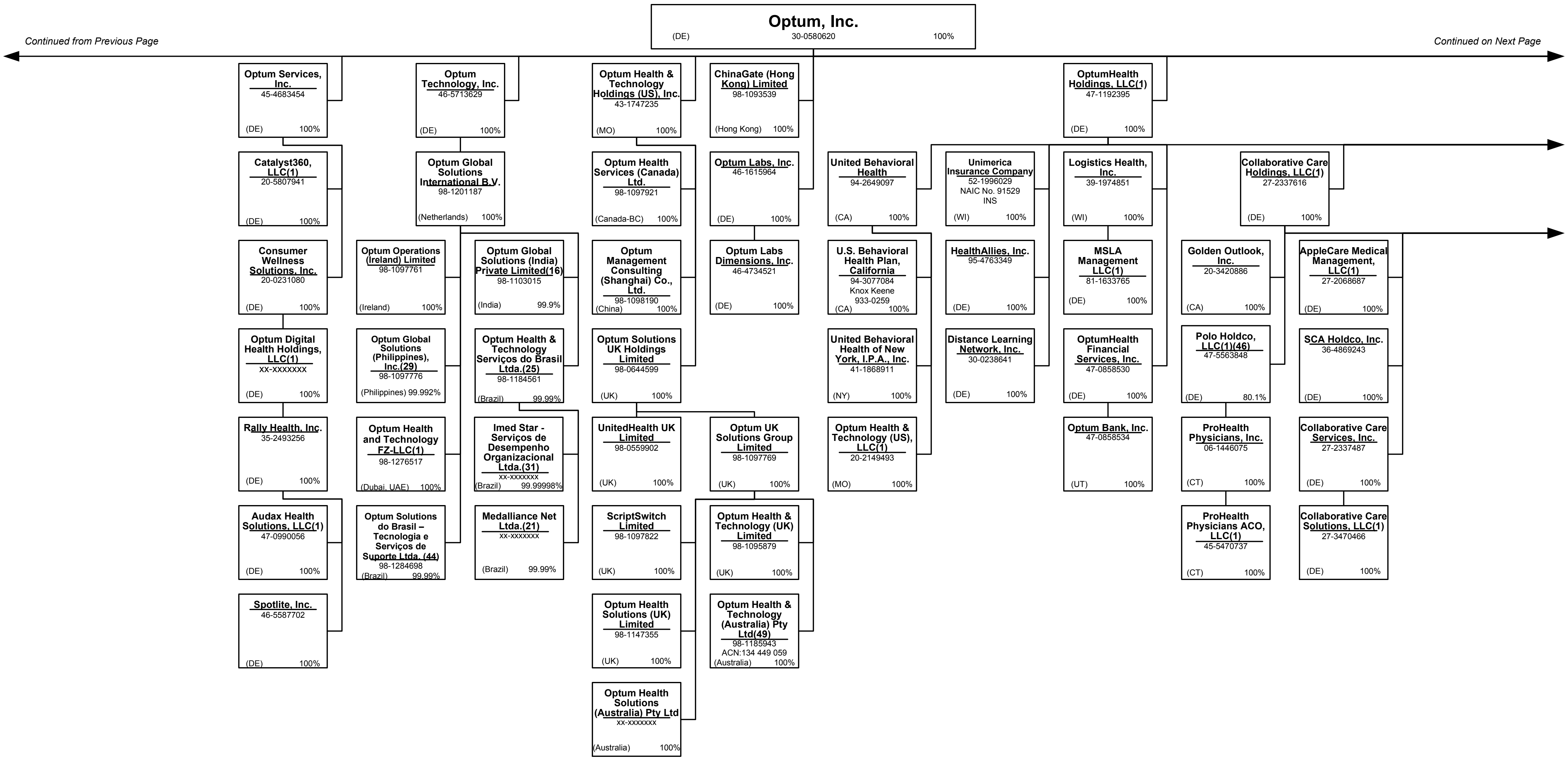
PART 1 – ORGANIZATIONAL CHART



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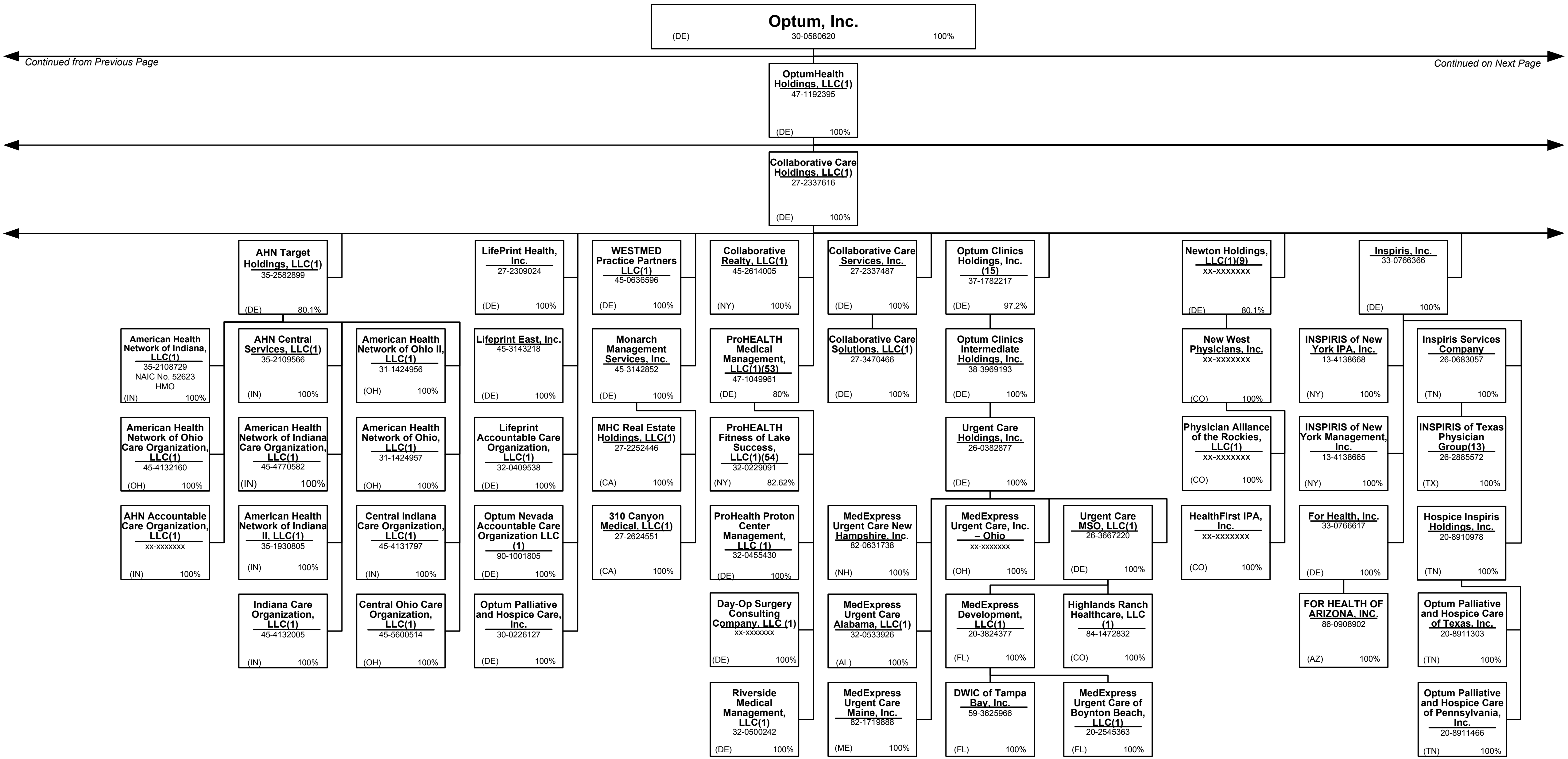
PART 1 – ORGANIZATIONAL CHART



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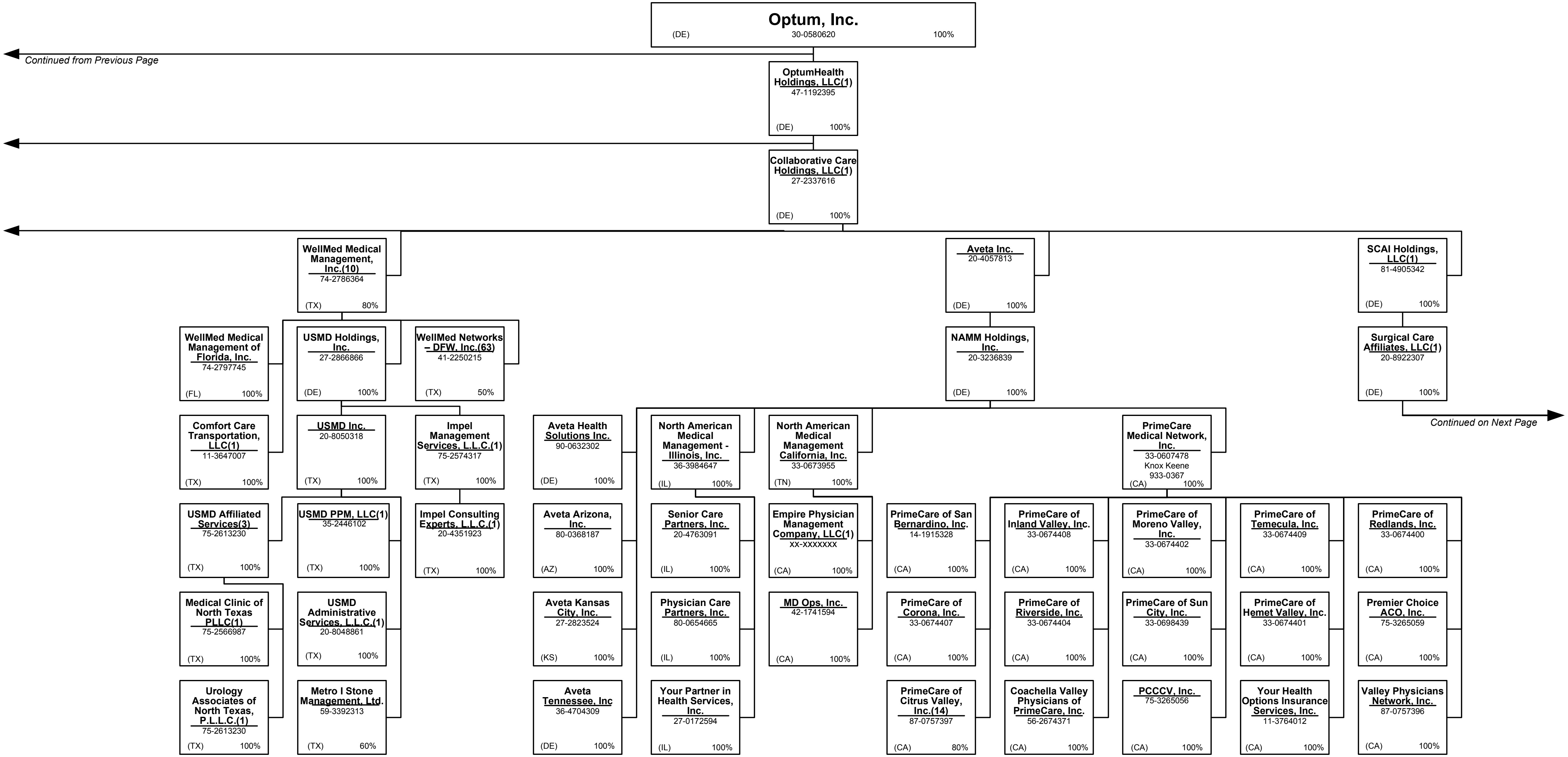
PART 1 – ORGANIZATIONAL CHART



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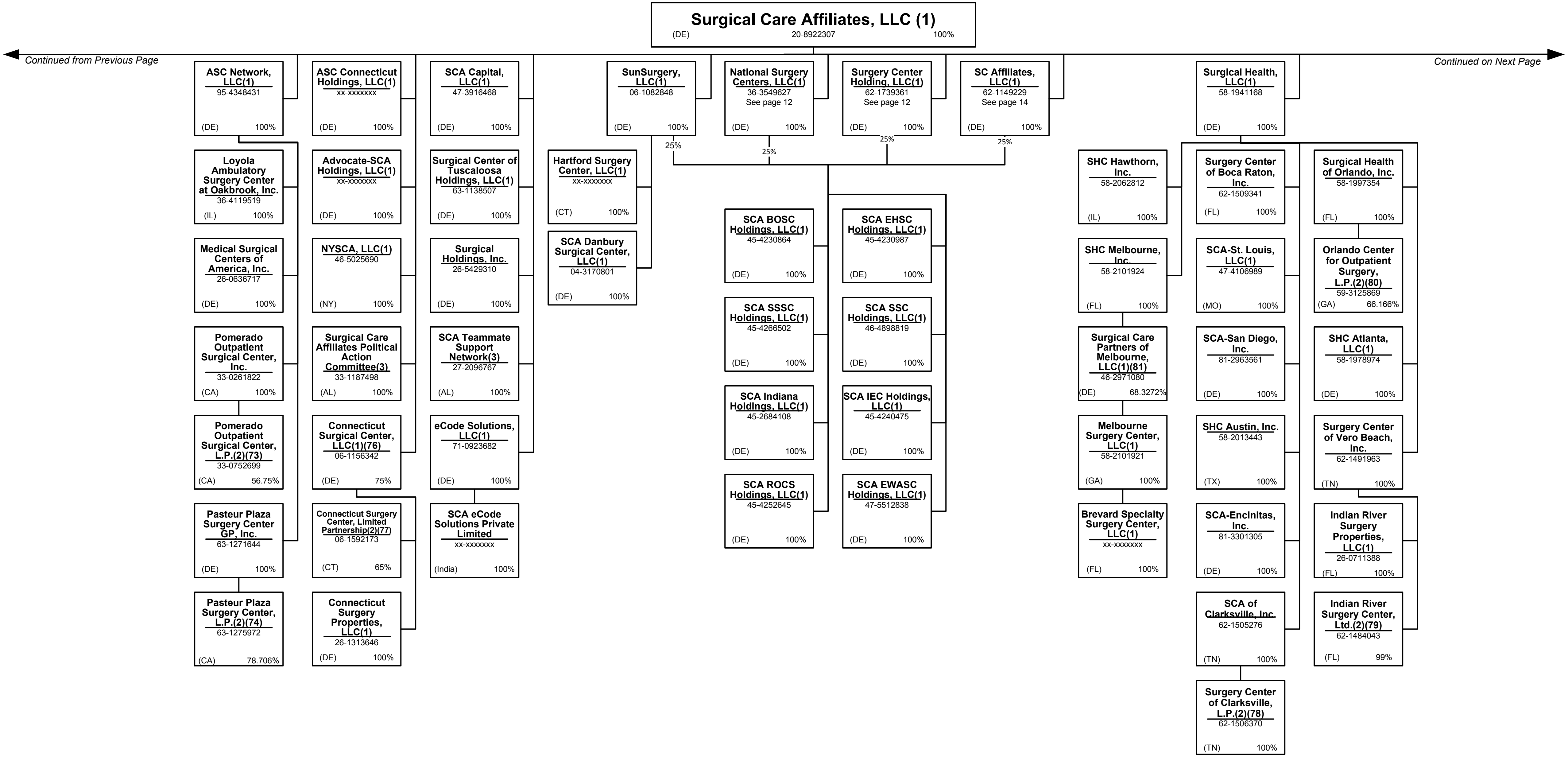
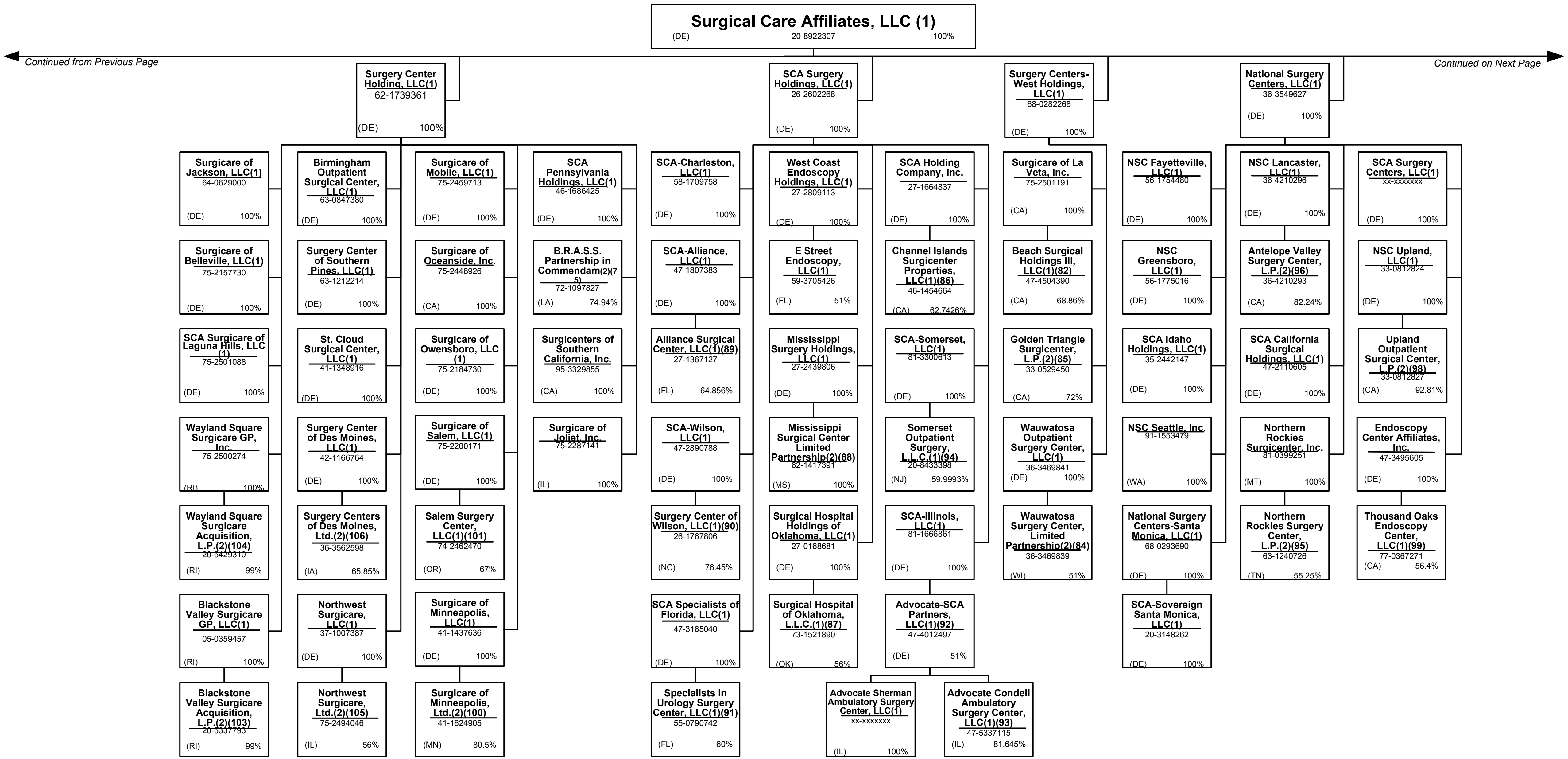
PART 1 – ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE UnitedHealthcare of New England, Inc.

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

PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

Surgical Care Affiliates, LLC (1) (DE) 20-8922307 100%

Continued from Previous Page

Continued on Next Page

SC Affiliates, LLC(1) 62-1149229 See page 12 (DE) 100%

- Camp Hill-SCA Centers, LLC(1) 52-1597484 (DE) 100%
- SCA-South Jersey, LLC(1) 22-3117714 (DE) 100%
  - Surgical Center of South Jersey, Limited Partnership(126) 22-2709324 (NJ) 70.95%
- SCA-Merritt, LLC(1) 81-1771410 (DE) 100%
  - Space Coast Surgery Center, Ltd.(2)(124) 75-2516426 (FL) 50.08%
- SCA-Hagerstown, LLC(1) 47-3466283 (DE) 100%
  - Parkway Surgery Center, LLC(1)(111) 20-4127100 (DE) 63.077%

- Marin Surgery Holdings, Inc. 26-2601943 (DE) 100%
- SCA-Main Street, LLC(1) 81-4292506 (DE) 100%
- SCA Development, LLC(1) 62-1535981 (DE) 100%
- Surgery Center of Easton, LLC(1) 72-1349752 (DE) 100%
  - The Surgery Center of Easton, L.P.(2)(110) 72-1349755 (TN) 57%
- Surgery Center of Louisville, LLC(1) 62-1179537 (DE) 100%
  - Louisville S.C., Ltd.(2)(108) 62-1179566 (KY) 65.4%

- SCA Premier Surgery Center of Louisville, LLC(1) 72-1386840 (DE) 100%
- SCA-Fort Collins, Inc. 93-1067967 (CO) 100%
- SCA-Fort Walton, Inc. 62-1502719 (TN) 100%
- SCA-River Valley, LLC(1) 81-4304317 (DE) 100%
- SCA Athens, LLC(1) 47-5537316 (DE) 100%
  - Athens ASC Holdings, LLC(1)(109) 45-4014891 (GA) 53%
    - Surgery Center of Athens, LLC(1) 45-0581955 (GA) 100%

- SCA Austin Holdings, LLC(1) 47-5014406 (DE) 100%
  - SCA Hays Holdings, LLC(1) 47-5064834 (DE) 100%
  - SCA Austin Medical Center Holdings, LLC(1) 47-5051685 (DE) 100%
    - Arise Healthcare System, LLC(1)(147) 46-2728964 (DE) 52.8%
  - SCA Stonegate Holdings, LLC(1) 47-5038680 (DE) 100%
    - Stonegate Surgery Center, L.P.(2)(148) 20-1211544 (TX) 52.44%
  - SCA Cedar Park Holdings, LLC(1) 47-5030792 (DE) 100%
    - Cedar Park Surgery Center, LLC(1)(139) 27-2533497 (TX) 55.55%

- SCA-Davenport, LLC(1) 47-4028383 (DE) 100%
- SCA-Naperville, LLC(1) 81-2850365 (DE) 100%
- SCA-Hamden, LLC(1) 81-4605501 (DE) 100%
- Bakersfield-SC, LLC(1) 62-1601445 (DE) 100%
  - Bakersfield Physicians Plaza Surgical Center, L.P.(2)(142) 62-1601443 (TN) 96%
    - Physicians Plaza Holdings, LLC(1) 45-4916946 (DE) 100%
    - Southwest Surgical Center of Bakersfield, L.P.(2)(143) 77-0458353 (CA) 100%

- SCA-Mecklenburg Development Corp. 62-1184188 (NC) 100%
- SCA-Sparta, LLC(1) 47-2676325 (DE) 100%
  - Specialty Surgical Center, LLC(1)(114) 20-3412545 (NJ) 57.449%
- SCA-Paoli, LLC(1) 62-1538850 (DE) 100%
  - Paoli Ambulatory Surgery Center(107) 62-1595402 (PA) 51%
- Nashville-SCA Surgery Centers, Inc. 62-1468431 (TN) 100%
  - SCA Nashville Surgery Center, L.L.C.(1)(113) xx-xxxxxxx (TN) 100%

- SCA-Sand Lake, LLC(1) 47-1685878 (FL) 100%
- SCA-San Luis Obispo, LLC(1) 94-3138088 (DE) 100%
- SCA-Mobile, LLC(1) 80-0070617 (DE) 100%
- SCA-ND VBP, Inc. 81-1347328 (DE) 100%
  - SPINETRACK 20/20 Inc. 81-1387232 (CA) 100%
- SCA-Franklin, LLC(1) 47-3641516 (DE) 100%
  - Franklin Surgical Center, LLC(1)(144) 20-3412606 (NJ) 55%

- SCA-Santa Rosa, Inc. 88-0185362 (NV) 100%
- Surgery Center of Muskogee, LLC(1) 63-1194204 (DE) 100%
  - Muskogee Surgical Investors, LLC(1)(145) 20-4209261 (DE) 51%
    - Three Rivers Surgical Care, L.P.(2)(146) 63-1194203 (TN) 68.5%
- Redlands-SCA Surgery Centers, Inc. 94-3115627 (CA) 100%
  - Redlands Ambulatory Surgery Center(140) 94-3115625 (CA) 54%
    - Inland Surgery Center, L.P.(2)(141) 33-0018673 (CA) 58.22%

- SCA-Phoenix, LLC(1) 47-2785908 (DE) 100%
- SCA-Honolulu, LLC(1) 62-1506650 (DE) 100%
- Louisville-SC Properties, Inc. 62-1179538 (KY) 100%
- SCA-Shelby Development Corp. 62-1179532 (TN) 100%
  - Memphis-SC, LLC(1) 62-1590322 (TN) 100%
- Shelby Surgery Properties, Inc. 62-1223273 (TN) 100%
  - Memphis-SP, LLC(1) 62-1590324 (TN) 100%

- Surgery Center of Summerlin, LLC(1) 63-1184216 (DE) 100%
- Pueblo-SCA Surgery Center, LLC(1) 93-1068319 (DE) 100%
- SCA-Mt. Pleasant, LLC(1) 62-1506655 (DE) 100%
  - Mt. Pleasant Surgery Center, L.P.(2)(117) 62-1506649 (TN) 95.41%
- SCA-Mokena, LLC(1) 81-1065674 (DE) 100%
  - SCA-Mokena Properties, LLC(1) 81-1320467 (DE) 100%
  - Southwest Surgery Center, LLC(1)(116) 36-4369359 (IL) 60%

- Charlotte-SC, LLC(1) 62-1262567 (DE) 100%
- SCA-Colorado Springs, LLC(1) 93-1047471 (DE) 100%
  - Colorado Springs Surgery Center, Ltd.(2)(127) 84-1160450 (CO) 95%
- Maryland-SCA Centers, LLC(1) 52-1401791 (DE) 100%
  - Maryland Ambulatory Centers(112) 52-1456812 (MD) 50%
- SCA-Winchester, LLC(1) 81-1159878 (DE) 100%
  - Winchester Endoscopy, LLC(1)(115) 46-5548304 (IL) 51%

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

PART 1 – ORGANIZATIONAL CHART

Continued from Previous Page

- **Surgical Care Affiliates, LLC (1)** (DE) 20-8922307 100%
  - **SC Affiliates, LLC(1)** 62-1149229 (DE) 100%
    - **SCA-Rockville, LLC(1)** 47-1647512 (FL) 100%
      - **Surgery Center of Rockville, L.L.C.(1)(129)** 11-3701564 (MD) 59%
    - **SCA-Central Florida, LLC(1)** 47-1535510 (FL) 100%
      - **Childrens Surgery Center, LLC(1)(128)** 26-2389638 (FL) 52.2024%
    - **Glenwood-SC, Inc.** 62-1601450 (TN) 100%
    - **Alaska Surgery Center, Inc.** 92-0080881 (AK) 100%
    - **SCA-Newport Beach, LLC(1)** 47-1760663 (CA) 100%
      - **DISC Surgery Center at Newport Beach, LLC(1)(130)** 27-4245123 (CA) 51%
    - **SCA-Marina Del Ray LLC(1)** 47-1751165 (FL) 100%
      - **Diagnostic and Interventional Surgical Center, LLC(1)(131)** 34-2064423 (CA) 51%
    - **SCA Pacific Holdings, Inc.** 27-1707364 (CA) 100%
      - **SCA-Houston Executive, LLC(1)** 81-3445356 (DE) 100%
        - **Executive Surgery Center, LLC(1)(118)** 30-0701899 (TX) 55%
    - **Health Inventures, LLC(1)** 04-3723090 (DE) 100%
      - **Health Inventures Employment Solutions, LLC(1)** 20-5944768 (DE) 100%
      - **H.I. Investments Holding Company, LLC(1)** 26-1227494 (DE) 100%
    - **ASC Holdings of New Jersey, LLC(1)** 46-3907136 (NJ) 100%
      - **East Brunswick Surgery Center, LLC(1)(120)** 02-0593133 (NJ) 51%
    - **SCA Southwestern PA, LLC(1)** 47-4928368 (DE) 100%
      - **Advanced Surgical Hospital, LLC(1)(119)** 26-4093335 (PA) 51%
    - **Gadsden Surgery Center, LLC(1)** 63-0833765 (DE) 100%
      - **Gadsden Surgery Center, Ltd.(2)(132)** 62-1488653 (AL) 57.5%
    - **SCA-Blue Ridge, LLC(1)** 62-1530120 (DE) 100%
      - **Blue Ridge GP, LLC(1)** 27-2241593 (NC) 100%
    - **SCA-Hilton Head, LLC(1)** 47-5229514 (SC) 100%
      - **Outpatient Surgery Center of Hilton Head, LLC(1)(121)** xx-xxxxxxx (SC) 50%
    - **SCA-Chevy Chase, LLC(1)** 81-3301058 (DE) 100%
      - **Metropolitan Medical Partners, LLC(1)(135)** 52-2303928 (MD) 59.346%
    - **SCA-Citrus, Inc.** 62-1516306 (TN) 100%
      - **Citrus Regional Surgery Center, L.P.(2)(122)** 62-1510209 (TN) 57%
    - **SCA-Eugene, Inc.** 62-1541235 (TN) 100%
      - **McKenzie Surgery Center, L.P.(2)(123)** 62-1600267 (TN) 92%
    - **SCA-Winter Park, Inc.** 62-1525777 (TN) 100%
      - **Winter Park, LLC(1)** xx-xxxxxxx (TN) 51%
    - **SCA-New Jersey, LLC(1)** 47-4418919 (DE) 100%
    - **SCA-Florence, LLC(1)** 62-1551099 (DE) 100%
      - **Florence Surgery Center, L.P.(2)(125)** 62-1551098 (AL) 50%
    - **SCA-Gainesville, LLC(1)** 62-1547690 (DE) 100%
      - **SCA-Northeast Georgia Health, LLC(1)(133)** 62-1589343 (TN) 51%
        - **Gainesville Surgery Center, L.P.(2)(134)** 62-1600268 (TN) 86%
    - **Surgery Center of Maui, LLC(1)** 63-1231944 (DE) 100%
    - **SCA Surgery Center of Cullman, LLC(1)** 63-1286887 (DE) 100%
    - **SCA-Gladiolus, LLC(1)** 81-1956407 (DE) 100%
      - **Gladiolus Surgery Center, L.L.C.(1)(136)** 65-1025514 (FL) 50%
    - **SCA-Dublin, LLC(1)** 81-1594261 (DE) 100%
      - **Dublin Surgery Center, LLC(1)(137)** 27-2103713 (OH) 56%
    - **SCA-Frederick, LLC(1)** 81-2727879 (DE) 100%
      - **Thomas Johnson Surgery Center, LLC(1)(138)** 26-1479919 (MD) 60%
    - **SCA-Grove Place, LLC(1)** 81-2376695 (DE) 100%
      - **Grove Place Surgery Center, L.L.C.(1)(149)** 01-0619096 (FL) 52.5794%

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 89.10289% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10.8971% owned by COIPAR Participações S.A.
(6) Health Net Services is a company duly incorporated under the laws of Bermuda and holds a Bermuda insurer license.
(7) UnitedHealthcare India Private Limited is 99.999385% owned by UnitedHealthcare International II B.V. and 0.00065% 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) Newton Holdings, LLC, is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% is owned by outside shareholders.
(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 0.000007% 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 Physician 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) Optum Global Solutions (India) Private Limited is 99.999466 % (1,872,266,000 shares) owned by Optum Global Solutions International BV and 0.000534% (10.000 shares) UnitedHealth International, Inc. as nominee of Optum Global Solutions International BV per India requirement to have two shareholders.
(17) Amico Saúde Ltda. is 98.927933% owned by Amil Assistência Médica Internacional S.A. and 1.072067% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.
(18) Esho – Empresa de Serviços Hospitalares S.A. is 99.630% owned by Amil Assistência Médica Internacional S.A.and 0.370368% owned by Treasury Shares and .7409758% owned by external shareholders.
(19) Etho – Empresa de Technologia Hospitalar Ltda. 82.642% owned by Amil Assistência Médica Internacional S.A.and 17.358% owned by an external shareholder.
(20) Orthology, Inc. is 80% owned by UnitedHealth Group Ventures, LLC and 20% owned by external shareholders.
(21) Medalliance Net Ltda. is owned 99.999985% by Optum Health & Technology Serviços do Brasil Ltda. and 0.000015% by UHG Brasil Participações S.A.
(22) Branch offices in Iraq and Uganda.
(23) Cemed Care Empressa de Atendimento Clínico Geral Ltda. Is 99.9999996% owned by Amil Assistência Médica Internacional S.A. and 0.000004% 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 99.9964% owned by Optum Global Solutions International B.V. and .0036% owned by OptumInsight, Inc.
(26) Bosque Medical Center Ltda. is 82.58% owned by Amil Assistência Médica Internacional S.A.and 17.41949% owned by Esho – Empresa de Servicos Hospitalares S.A.
(27) H&W Indemnity (SPC), Ltd. is an exempted segregated portfolio company organized under the laws of the Cayman Islands and holds a Cayman insurance license.
(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) Optum Global Solutions (Philippines), 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 Esho – Empresa de Serviços Hospitalares S.A. 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) Hospital de Clínicas de Jacarepaguá Ltda. is 99.999998% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000002% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
(33) Hospital Alvorada Taguatinga Ltda.is 89.06% owned by Amil Assistência Médica Internacional S.A, 10.94% by Bosque Medical Center Ltda.
(34) Registered as foreign shareholder in Brazil. Optum Global Solutions International B.V. is held 97.48% by Optum Technology, Inc. and 2.52% by OptumHealth International B.V.
(35) FrontierMEDEX Kenya Limited is 99.9% owned by Frontier MEDEX Limited and 0.1% owned by UnitedHealthcare International I B.V.
(36) TBD
(37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (25.9341%), Hygeia Corporation (DE) (0.3523%) and UnitedHealth Group Incorporated (100%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P.
(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) UnitedHealthcare International III S.á r.l. is 69.995% owned by UnitedHealthcare Europe S.á r.l. and 30.005% owned by UnitedHealthcare International II S.á r.l.
(40) Amil Assistência Médica Internacional S.A. is 91.81% owned by Polar II Fundo de Investimento em Participações and the remaining 8.19% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.
(41) Lusíadas A.C.E. is 55% owned by Lusíadas, SGPS, S.A., 10% owned by Lusíadas – Parcerias Cascais, S.A., 20% owned by Lusiadas, S.A., 5% owned by Clínica Médico Cirúrgica de Santa Tecla, S.A. and 10% owned by CLISA – Clínica de Santo António, S.A.
(42) Centro Médico PJ Ltda. is 99.999948% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.0000052% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
(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 99.999998% owned by Optum Global Solutions International B.V.and 0.00002% owned by OptumInsight, Inc.
(45) Multiangio Ltda. is 68% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 32% is owned by external shareholders.
(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) Excellion Serviços Biomédicos Ltda is 99.999997% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000003% is owned by Cemed Care - Empresa de Atendimento Clínico Geral Ltda.
(48) Hospital Samaritano de São Paulo Ltda. is 99.9999998% owned by Esho – Empresa de Serviços Hospitalares S.A.and the remaining 0.0000002% is owned by Hospital Alvorada Taguatinga Ltda.
(49) Branch office located in Hong Kong.
(50) ABCO India Private Limited is 99% owned by ABCO International Holdings, LLC and 1% owned by The Advisory Board Company.
(51) TBD
(52) TBD
(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) Savvysherpa Asia, Inc. is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
(56) Fortify Technologies Asia, LLC is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
(57) Virtual Therapeutics Corporation is 67% owned by Savvysherpa, LLC and the remaining 33.4% is owned by an outside third party.
(58) BriovaRx Infusion Services 301, LP is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by BriovaRx Infusion Services 305, LLC.
(59) TBD
(60) Hospitais Associados de Pernambuco Ltda. is 90% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10% is owned by an external shareholder.
(61) Topimagem Diagnóstico por Imagem Ltda.is 89% owned by Esho – Empresa de Serviços Hospitalares S.A., and the remaining 11% interest is owned by external shareholders.
(62) Dilab – Medicina Nuclear Ltda is 85% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 15% is owned by external shareholders.
(63) WellMed Networks – DFW, Inc. is 50% owned by WellMed Networks, Inc. and 50% owned by USMD Inc. WellMed Medical Management, Inc. controls 100% of WellMed Networks - DFW.
(64) Clinica Oftalmologica Danilo de Castro Sociedade Simples is 99.66% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.333333% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
(65) Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda. is 99.99% owned by Hospital Alvorada de Taguatinga Ltda.and the remaining 0.000012% is owned by Esho – Empresa de Serviços Hospitalares S.A.
(66) CMO – Centro Médico de Oftalmologia S/S Ltda. is 99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 1% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
(67) TBD

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.

(68) Elual Participações S.A. is 60% owned by Amil Assistência Médica Internacional S.A. and 40% by Esho – Empresa de Serviços Hospitalares S.A.
(69) Hospital Santa Helena S.A. is 65.21% owned by Elual Participações S.A. and 33.60% owned by Esho – Empresa de Serviços Hospitalares S.A. and 1.19% is owned by external shareholde
(70) Santa Helena Assistência Médica S.A. is 65.21% owned by Elual Participações S.A. and the remaining 33.60% is owned by Amil Assistência Médica Internacional S.A. and 1.19% is owned by external shareholder
(71) N/A
(72) Hospital Ana Costa S.A. is 57.41% owned by Plano de Saúde Ana Costa Ltda., 13.012% by Hospital Alvorada Taguatinga Ltda. and the remaining 29.576% is owned by external shareholders.
(73) Pomerado Outpatient Surgical Center, Inc. holds a 50.75% general partnership interest and 6% limited partnership interest in Pomerado Outpatient Surgical Center, L.P.
(74) Pasteur Plaza Surgery Center GP, Inc. holds a 51% general partnership interest and a 27.706% limited partnership interest in Pasteur Plaza Surgery Center, L.P.
(75) Surgery Center Holding, LLC holds a 51% general partnership interest and a 23.94% limited partnership interest in B.R.A.S.S. Partnership in Commendam
(76) The remaining 25% membership interest is owned by Trinity Health-New England, Inc.
(77) Connecticut Surgical Center, LLC holds a 51% general partnership interest and a 14% limited partnership interest in Connecticut Surgery Center, Limited Partnership.
(78) SCA of Clarksville, Inc. holds a 51% general partnership interest and a 49% limited partnership interest in Surgery Center of Clarksville, L.P.
(79) Surgery Center of Vero Beach, Inc. holds a 40% general partnership interest and a 59% limited partnership interest in Indian River Surgery Center, Ltd.
(80) TBD
(81) TBD
(82) TBD
(83) SCA Salt Lake Surgical Center, Inc. holds a 71.25% limited partnership interest and a 20% general partnership interest in Salt Lake Surgical Center, L.P.
(84) Wauwatosa Outpatient Surgery Center, LLC holds a 51% limited partnership interest in Wauwatosa Surgery Center, Limited Partnership.
(85) Surgery Centers-West Holdings, LLC holds a 71% limited partnership interest and a 1% general partnership interest in Golden Triangle Surgicenter, L.P.
(86) TBD
(87) TBD
(88) Mississippi Surgery Holdings, LLC holds a 41% general partnership interest and a 59% limited partnership interest in Mississippi Surgical Center Limited Partnership.
(89) TBD
(90) TBD
(91) TBD
(92) TBD
(93) TBD
(94) TBD
(95) Northern Rockies Surgicenter, Inc. holds a 51% general partnership interest and a 4.25% limited partnership interest in Northern Rockies Surgery Center, L.P.
(96) NSC Lancaster, LLC holds a 81.24% limited partnership interest and a 1% general partnership interest in Antelope Valley Surgery Center, L.P.
(97) NSC Sarasota, Inc. holds a 81.1% limited partnership interest and a 1.02% general partnership interest in Sarasota Endoscopy Center, L.P.
(98) NSC Upland, LLC holds an 80% general partnership interest and a 12.81% limited partnership interest in Upland Outpatient Surgical Center, L.P.
(99) TBD
(100) Surgicare of Minneapolis, LLC holds a 50% general partnership interest and a 30.5% limited partnership interest in Surgicare of Minneapolis, Ltd., a MN Limited Partnership
(101) TBD
(102) Waco Outpatient Surgical Center, Inc. holds a 51% general partnership interest and a 48% limited partnership interest in Waco Surgical Center, Ltd.
(103) Blackstone Valley Surgicare GP, LLC holds a 40% general partnership interest and a 59% limited partnership interest in Blackstone Valley Surgicare Acquisition, L.P.
(104) Wayland Square Surgicare GP, Inc. holds a 40% general partnership interest and a 59% limited partnership interest in Wayland Square Surgicare Acquisition, L.P.
(105) Northwest Surgicare, LLC holds a 51% general partnership interest and a 5% limited partnership interest in Northwest Surgicare, Ltd., an IL Limited Partnership
(106) Surgery Center of Des Moines, LLC holds a 51% general partnership interest and a 14.85% limited partnership interest in Surgery Centers of Des Moines, Ltd., an IA Limited Partnership
(107) TBD
(108) Surgery Center of Louisville, LLC holds a 51% general partnership interest and a 14.4% limited partnership interest in Louisville S.C., Ltd.
(109) TBD
(110) Surgery Center of Easton, LLC holds a 57% general partnership interest in The Surgery Center of Easton, L.P.
(111) TBD
(112) TBD
(113) The remaining 1% membership interest is owned by SCA Affiliates, LLC
(114) TBD
(115) TBD
(116) TBD
(117) SCA-Mt. Pleasant, LLC holds a 51% general partnership interest and a 44.41% limited partnership interest in Mt. Pleasant Surgery Center, L.P.
(118) TBD
(119) TBD
(120) TBD
(121) TBD
(122) SCA-Citrus, Inc. holds a 52% general partnership interest and a 5% limited partnership interest in Citrus Regional Surgery Center, L.P.
(123) SCA-Eugene, Inc. holds a 51% general partnership interest and a 41% limited partnership interest in McKenzie Surgery Center, L.P.
(124) SCA-Merritt, LLC holds a 50.08% general partnership interest in Space Coast Surgery Center, Ltd.
(125) SCA-Florence, LLC holds a 50% general partnership interest in Florence Surgery Center, L.P.
(126) SCA-South Jersey, LLC holds a 51% general partnership interest and a 19.95% limited partnership interest in Surgical Center of South Jersey, Limited Partnership. SC Affiliates, LLC also holds a 0.73% limited partnership interest in Surgical Center of South Jersey, Limited Partnership.
(127) SCA-Colorado Springs, LLC holds a 51% general partnership interest and a 44% limited partnership interest in Colorado Springs Surgery Center, Ltd.
(128) TBD
(129) TBD
(130) TBD
(131) TBD
(132) TBD
(133) Gadsden Surgery Center, LLC holds a 51% general partnership interest and a 6.5% limited partnership interest in Gadsden Surgery Center, Ltd.
(134) TBD
(135) SCA-Northeast Georgia Health, LLC holds a 51% general partnership interest and a 35% limited partnership interest in Gainesville Surgery Center, L.P.
(136) TBD
(137) TBD
(138) TBD
(139) TBD
(140) TBD
(141) SCA Stonegate Holdings, LLC holds a 52% general partnership interest in Stonegate Surgery Center, L.P.
(142) TBD
(143) TBD
(144) Redlands Ambulatory Surgery Center holds a 51% general partnership interest and a 7.22% limited partnership interest in Inland Surgery Center, L.P. SC Affiliates also holds a 13.03% limited partnership interest in Inland Surgery Center, L.P.
(145) Bakersfield-SC, LLC holds a 25% general partnership interest and a 71% limited partnership interest in Bakersfield Physicians Plaza Surgical Center, L.P.
(146) Bakersfield Physicians Plaza Surgical Center, L.P. holds a 99% general partnership interest and Physicians Plaza Holdings, LLC holds a 1% limited partnership interest in Southwest Surgical Center of Bakersfield, L.P.
(147) TBD
(148) TBD
(149) Muskogee Surgical Investors, LLC holds a 51% general partnership interest and a 17.5% limited partnership interest in Three Rivers Surgical Care, L.P.

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	516	363	(6,264)		(5,385)
2505. Professional Fees\Consulting	158,434	111,667	319,852		589,953
2506. Sundry General Expenses	1,360,380	958,820	2,797,745		5,116,945
2507. Reimbursement of Expenses from Reinsurers			(1,161,821)		(1,161,821)
2597. Summary of remaining write-ins for Line 25 from overflow page	1,519,330	1,070,850	1,949,512	0	4,539,692

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)