



# HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2015

OF THE CONDITION AND AFFAIRS OF THE

## Group Hospitalization and Medical Services, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 53007 Employer's ID Number 53-0078070  
(Current) (Prior)

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry DC

Country of Domicile United States of America

Licensed as business type: HMDI

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 08/11/1939 Commenced Business 03/15/1934

Statutory Home Office 840 First Street NE Washington, DC, US 20065  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10455 Mill Run Circle 410-581-3000  
(Street and Number) (Area Code) (Telephone Number)  
Owings Mills, MD, US 21117  
(City or Town, State, Country and Zip Code)

Mail Address 10455 Mill Run Circle Owings Mills, MD, US 21117  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10455 Mill Run Circle 410-998-7011  
(Street and Number) (Area Code) (Telephone Number)  
Owings Mills, MD, US 21117  
(City or Town, State, Country and Zip Code)

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack 410-998-7011  
(Name) (Area Code) (Telephone Number)  
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(E-mail Address) (FAX Number)

### OFFICERS

President and Chief Executive Officer Chester Emerson Burrell Corp. Treasurer & VP Jeanne Ann Kennedy  
Corp. Secretary, Exec. VP & Gen. Counsel Meryl Davis Burgin

### OTHER

<u>Gregory Mark Chaney</u> EVP, CFO	<u>Fred Adrian Walton Plumb</u> EVP, SBU - FEHBP	<u>Jonathan David Blum</u> EVP, Medical Affairs
<u>Harry Dietz Fox</u> EVP, Technical & Ops Support	<u>Steven Jon Margolis</u> EVP, Small & Medium Group SBU	<u>Wanda Kay Oneferu-Bey</u> EVP, Consumer Direct SBU
<u>Brian David Pieninck #</u> EVP, Large Group SBU	<u>Michael Bruce Edwards</u> SVP, Networks Mgmt	<u>Gwendolyn Denise Skillern</u> SVP, General Auditor
<u>Rita Ann Costello</u> SVP, Strategic Marketing	<u>Maria Harris Tildon</u> SVP, Public Policy	<u>Jon Paul Shematek</u> SVP, Chief Medical Officer
<u>Kenny Waitem Kan</u> SVP, Chief Actuary	<u>Jennifer Ann Cryor Baldwin</u> SVP, Patient Centered Medical Home (PCMH)	<u>Michelle Judith Wright</u> SVP, Human Resources
<u>Usha Nakhasi</u> SVP, Gen Mgr SBPASC/FEPOC		

### DIRECTORS OR TRUSTEES

<u>Shirley Marcus Allen</u>	<u>Clifford Edward Barnes</u>	<u>Faye Ford Fields</u>
<u>Artis Gail Hampshire-Cowan</u>	<u>Polly Povejsil Heath</u>	<u>Wendell Lee Johns</u>
<u>Robert Carl Kovarik Jr.</u>	<u>Jack Allan Meyer</u>	<u>Shirley Rollins Patterson</u>
<u>Elena Victoria Rios</u>	<u>Patricia Amelia Rodriguez</u>	<u>Robert Lee Sloan</u>

State of Maryland SS:  
County of Baltimore

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.

Chester Emerson Burrell  
President and Chief Executive Officer

Meryl Davis Burgin  
Corp. Secretary, Exec. VP & Gen. Counsel

Jeanne Ann Kennedy  
Corp. Treasurer & VP

Subscribed and sworn to before me this 8th day of August, 2015  
Kathleen M. Rumbley

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



STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	535,056,217	0	535,056,217	399,649,160
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	96,870,923	0	96,870,923	137,344,599
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....(77,760,154) ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....111,529,473 ) .....	33,769,319	0	33,769,319	54,543,710
6. Contract loans (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	453,878,116	166,667	453,711,449	459,481,042
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,119,574,575	166,667	1,119,407,908	1,051,018,511
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	3,527,323	0	3,527,323	3,340,835
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	216,209,626	6,767,433	209,442,193	221,683,669
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	27,321,826	0	27,321,826	16,702,194
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	1,930,835	0	1,930,835	884,467
17. Amounts receivable relating to uninsured plans .....	53,317,430	2,609,096	50,708,334	54,212,048
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	2,047,958
18.2 Net deferred tax asset .....	19,997,320	19,997,320	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	163,124,870	139,978,136	23,146,734	23,582,889
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	6,937,795	6,937,795	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	22,010,962	0	22,010,962	32,397,125
24. Health care (\$ .....120,480,457 ) and other amounts receivable .....	740,182,103	12,274,411	727,907,692	776,143,363
25. Aggregate write-ins for other than invested assets .....	101,667,114	52,998,520	48,668,594	27,612,428
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,475,801,779	241,729,378	2,234,072,401	2,209,625,487
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27)	2,475,801,779	241,729,378	2,234,072,401	2,209,625,487
<b>DETAILS OF WRITE-INS</b>				
1101. ....	0	0	0	0
1102. ....	0	0	0	0
1103. ....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. ACA Risk Adjustment Receivable .....	47,256,166	0	47,256,166	26,200,000
2502. Prepaid Expenses .....	47,559,036	47,559,036	0	0
2503. Pension- Prepaid .....	5,439,484	5,439,484	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,412,428	0	1,412,428	1,412,428
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) .....	101,667,114	52,998,520	48,668,594	27,612,428

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 9,204,654 reinsurance ceded)	248,428,431	10,557,660	258,986,091	281,180,279
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	10,385,110	441,344	10,826,454	10,826,454
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act	607,313,586	0	607,313,586	644,674,682
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	43,874,653	0	43,874,653	43,294,106
9. General expenses due or accrued	140,783,274	0	140,783,274	103,296,494
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 2,635,975 on realized gains (losses))	4,447,717	0	4,447,717	0
10.2 Net deferred tax liability	10,416,693	0	10,416,693	16,804,424
11. Ceded reinsurance premiums payable	548,014	0	548,014	19,854,487
12. Amounts withheld or retained for the account of others	50,355,727	0	50,355,727	35,431,134
13. Remittances and items not allocated	2,742,737	0	2,742,737	11,359,973
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	97,545,519	0	97,545,519	42,737,396
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$ 0 ) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	17,569,661	0	17,569,661	17,108,686
23. Aggregate write-ins for other liabilities (including \$ 17,955,890 current)	64,659,231	0	64,659,231	48,648,738
24. Total liabilities (Lines 1 to 23)	1,299,070,353	10,999,004	1,310,069,357	1,275,216,853
25. Aggregate write-ins for special surplus funds	XXX	XXX	37,500,000	70,000,000
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	0	0
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	886,503,044	864,408,634
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0 )	XXX	XXX	0	0
32.2 0 shares preferred (value included in Line 27 \$ 0 )	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	924,003,044	934,408,634
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,234,072,401	2,209,625,487
<b>DETAILS OF WRITE-INS</b>				
2301. Amounts Withheld for Escheatment	8,973,393	0	8,973,393	10,976,134
2302. Reinsurance Payable	7,170,981	0	7,170,981	618,441
2303. ACA Risk Adjustment Payable	7,659,812	0	7,659,812	0
2398. Summary of remaining write-ins for Line 23 from overflow page	40,855,045	0	40,855,045	37,054,163
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	64,659,231	0	64,659,231	48,648,738
2501. Special Surplus - 2016 Health Insurer fee	XXX	XXX	37,500,000	0
2502. Special Surplus - 2015 Health Insurer fee	XXX	XXX	0	70,000,000
2503. ....	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	37,500,000	70,000,000
3001. ....	XXX	XXX	0	0
3002. ....	XXX	XXX	0	0
3003. ....	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	4,824,505	4,649,587	9,361,552
2. Net premium income ( including \$ .....0 non-health premium income)	XXX	1,634,923,427	1,617,400,177	3,283,652,020
3. Change in unearned premium reserves and reserve for rate credits	XXX	37,361,096	13,671,835	36,526,572
4. Fee-for-service (net of \$ .....0 medical expenses)	XXX	0	0	0
5. Risk revenue	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues	XXX	7,647,607	5,292,360	22,058,130
7. Aggregate write-ins for other non-health revenues	XXX	2,712,026	2,438,846	5,073,235
8. Total revenues (Lines 2 to 7)	XXX	1,682,644,156	1,638,803,218	3,347,309,957
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits	30,568,981	913,153,052	1,013,325,332	1,906,925,903
10. Other professional services	0	102,379,497	94,511,514	201,355,910
11. Outside referrals	27,935,627	27,935,627	20,926,589	51,137,307
12. Emergency room and out-of-area	770,368	36,962,466	36,353,902	76,542,609
13. Prescription drugs	0	373,622,041	326,411,951	752,570,908
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0
16. Subtotal (Lines 9 to 15)	59,274,976	1,454,052,683	1,491,529,288	2,988,532,637
<b>Less:</b>				
17. Net reinsurance recoveries	0	36,177,799	57,118,485	105,316,901
18. Total hospital and medical (Lines 16 minus 17)	59,274,976	1,417,874,884	1,434,410,803	2,883,215,736
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$ .....27,638,983 cost containment expenses	0	68,066,667	71,190,864	142,620,582
21. General administrative expenses	0	202,935,141	199,027,980	364,052,646
22. Increase in reserves for life and accident and health contracts (including \$ .....0 increase in reserves for life only)	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	59,274,976	1,688,876,692	1,704,629,647	3,389,888,964
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(6,232,536)	(65,826,429)	(42,579,007)
25. Net investment income earned	0	7,488,138	8,234,089	17,783,804
26. Net realized capital gains (losses) less capital gains tax of \$ .....2,635,975	0	10,543,900	5,973,261	7,291,478
27. Net investment gains (losses) (Lines 25 plus 26)	0	18,032,038	14,207,350	25,075,282
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....0 ) (amount charged off \$ .....0 )]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	546,843	224,294	1,189,797
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	12,346,345	(51,394,785)	(16,313,928)
31. Federal and foreign income taxes incurred	XXX	14,629,510	(3,773,315)	(647,477)
32. Net income (loss) (Lines 30 minus 31)	XXX	(2,283,165)	(47,621,470)	(15,666,451)
<b>DETAILS OF WRITE-INS</b>				
0601. FEP Performance Incentive	XXX	7,647,607	5,239,717	21,936,485
0602. Trigon network fee - Med D	XXX	0	46,161	108,433
0603. Med D admin Reimbursement	XXX	0	6,482	13,212
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	7,647,607	5,292,360	22,058,130
0701. FEP Bridge	XXX	2,712,026	2,438,846	5,073,235
0702.	XXX	0	0	0
0703.	XXX	0	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	2,712,026	2,438,846	5,073,235
1401.	0	0	0	0
1402.	0	0	0	0
1403	0	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901. Miscellaneous	0	551,815	222,748	1,158,346
2902. Regulatory fines and fees	0	(4,972)	1,546	31,451
2903	0	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	546,843	224,294	1,189,797

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....	934,408,634	934,751,475	934,751,475
34. Net income or (loss) from Line 32.....	(2,283,165)	(47,621,470)	(15,666,451)
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$..... (3,362,215)	(12,013,706)	11,009,429	24,670,344
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0	0
38. Change in net deferred income tax.....	(1,533,115)	(1,096,205)	30,484,797
39. Change in nonadmitted assets.....	5,424,397	(2,697,199)	5,841,271
40. Change in unauthorized and certified reinsurance.....	0	0	0
41. Change in treasury stock.....	0	0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....	0	0	0
44. Capital Changes:			
44.1 Paid in.....	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....	0	0	0
45. Surplus adjustments:			
45.1 Paid in.....	0	0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....	0	0	0
46. Dividends to stockholders.....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	(45,672,802)
48. Net change in capital & surplus (Lines 34 to 47).....	(10,405,589)	(40,405,445)	(342,841)
49. Capital and surplus end of reporting period (Line 33 plus 48)	924,003,045	894,346,030	934,408,634
<b>DETAILS OF WRITE-INS</b>			
4701. Change in additional liability\Intangible Assets for pension.....	0	0	(45,672,802)
4702. ....	0	0	0
4703. ....	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	(45,672,802)

## STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization &amp; Medical Services, Inc.

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	1,626,488,487	1,588,198,983	3,295,939,776
2. Net investment income .....	8,852,757	10,053,946	22,186,859
3. Miscellaneous income .....	10,359,633	7,731,206	27,131,365
4. Total (Lines 1 to 3) .....	1,645,700,877	1,605,984,135	3,345,258,000
5. Benefit and loss related payments .....	1,392,297,054	1,371,571,366	2,887,410,255
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	202,503,063	172,152,967	418,804,890
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... 2,635,975 tax on capital gains (losses) .....	10,769,810	(168,319)	(8,635,080)
10. Total (Lines 5 through 9) .....	1,605,569,927	1,543,556,014	3,297,580,065
11. Net cash from operations (Line 4 minus Line 10) .....	40,130,950	62,428,121	47,677,935
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	393,226,262	365,302,074	755,668,291
12.2 Stocks .....	43,702,887	25,831,293	57,864,930
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	5,007	28,131
12.7 Miscellaneous proceeds .....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	436,929,149	391,138,374	813,561,352
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	529,059,009	374,006,451	641,983,898
13.2 Stocks .....	781,080	42,331,293	68,931,918
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	529,840,089	416,337,744	710,915,816
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(92,910,940)	(25,199,370)	102,645,536
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied) .....	32,005,599	(12,692,410)	(101,006,245)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	32,005,599	(12,692,410)	(101,006,245)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(20,774,391)	24,536,341	49,317,226
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	54,543,710	5,226,484	5,226,484
19.2 End of period (Line 18 plus Line 19.1) .....	33,769,319	29,762,825	54,543,710

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

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	800,367	68,587	259,405	9,128	14,755	52,363	365,581	0	0	30,548
2. First Quarter .....	811,104	82,168	251,936	9,508	14,828	54,878	366,732	0	0	31,054
3. Second Quarter .....	794,514	81,383	248,978	9,747	14,468	45,240	365,237	0	0	29,461
4. Third Quarter .....	0	0	0	0	0	0	0	0	0	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	4,824,505	481,976	1,508,322	57,227	88,154	308,174	2,199,150	0	0	181,502
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician .....	4,445,205	184,479	709,392	65,527	0	0	3,485,807	0	0	0
8. Non-Physician .....	2,239,433	98,923	285,231	23,346	0	0	1,831,933	0	0	0
9. Total	6,684,638	283,402	994,623	88,873	0	0	5,317,740	0	0	0
10. Hospital Patient Days Incurred	97,010	5,722	15,928	2,668	0	0	72,692	0	0	0
11. Number of Inpatient Admissions	20,908	1,445	4,675	585	0	0	14,203	0	0	0
12. Health Premiums Written (a) .....	1,672,681,333	113,137,166	576,799,679	10,770,441	6,318,473	33,400,543	925,286,424	0	0	6,968,607
13. Life Premiums Direct .....	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written .....	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned .....	1,710,042,429	113,137,166	575,929,679	10,770,441	6,318,473	33,400,543	963,517,520	0	0	6,968,607
16. Property/Casualty Premiums Earned .....	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services.....	1,475,797,206	110,396,917	435,007,214	8,712,826	5,969,425	22,627,031	890,634,006	0	0	2,449,787
18. Amount Incurred for Provision of Health Care Services	1,454,052,684	110,416,702	424,222,116	8,886,536	5,984,911	22,675,375	881,134,006	0	0	733,038

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



## UNDERWRITING AND INVESTMENT EXHIBIT

### ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	76,922,927	468,840,109	4,245,478	82,216,313	81,168,405	97,733,083
2. Medicare Supplement .....	3,000,065	10,058,789	115,366	3,641,278	3,115,431	3,653,940
3. Dental Only .....	2,494,715	16,701,134	114,654	3,599,199	2,609,369	3,286,514
4. Vision Only .....	0	5,802,909	0	157,269	0	141,783
5. Federal Employees Health Benefits Plan .....	145,810,879	744,823,127	10,054,495	147,585,505	155,865,374	167,139,999
6. Title XVIII - Medicare .....	0	0	0	0	0	0
7. Title XIX - Medicaid .....	0	0	0	0	0	0
8. Other health .....	1,995,271	998,810	4,940,049	2,316,486	6,935,320	9,224,959
9. Health subtotal (Lines 1 to 8) .....	230,223,857	1,247,224,878	19,470,042	239,516,050	249,693,899	281,180,278
10. Healthcare receivables (a) .....	0	37,379,660	0	0	0	0
11. Other non-health .....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts .....	0	0	0	0	0	0
13. Totals (Lines 9-10+11+12)	230,223,857	1,209,845,218	19,470,042	239,516,050	249,693,899	281,180,278

(a) Excludes \$ 90,709,299 loans or advances to providers not yet expensed.

## NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies****A. Accounting Practices**

The financial statements of Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (DISB).

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia. The Company does not utilize any permitted practices.

For the six months ended June 30, 2015 and the year ended December 31, 2014, there were no differences in net loss and surplus between NAIC SAP and practices prescribed by the District of Columbia.

		<i>(in thousands)</i>	
<u>NET LOSS</u>	<u>State of Domicile</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
(1) State basis (Page 4, Line 32, Columns 2 & 4)	DC	\$ (2,283)	\$ (15,666)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(4) NAIC SAP (1-2-3=4)	DC	<u>\$ (2,283)</u>	<u>\$ (15,666)</u>
 <u>SURPLUS</u>			
(5) State basis (Page 3, Line 33, Columns 3 & 4)	DC	\$ 924,003	\$ 934,409
(6) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(8) NAIC SAP (5-6-7=8)	DC	<u>\$ 924,003</u>	<u>\$ 934,409</u>

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

No change.

**C. Accounting Policy****Bonds**

Mortgage-backed securities that are included within bonds are valued at amortized cost using the interest method including anticipated prepayments except in cases where NAIC guidance requires them to be carried at the lower of cost or fair value. Prepayment assumptions are obtained from external sources and are based on the current interest rate and economic environment. The prospective adjustment method is used to value all such securities (refer to Note 20).

**2. Accounting Changes and Corrections of Errors**

Not applicable.

**3. Business Combinations and Goodwill**

Not applicable.

**4. Discontinued Operations**

Not applicable.

**5. Investments****A. Mortgage Loans, including Mezzanine Real Estate Loans**

None.

**B. Debt Restructuring**

None.

**C. Reverse Mortgages**

None.

**D. Loan-Backed Securities**

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed securities are obtained from broker survey values. The Company uses IDC to determine the fair value for such securities.

## NOTES TO FINANCIAL STATEMENTS

- (2) The Company does not have any mortgage-backed/other asset-backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended June 30, 2015, the Company did not recognize other than temporary impairment in mortgage-backed/other asset-backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities. At June 30, 2015, the Company did not hold any mortgage-backed or other asset-backed securities where the present value of cash flows expected to be collected is less than the amortized cost basis.
- (4) The following table shows the gross unrealized losses and fair value of the Company's mortgage-backed/other asset-backed securities with unrealized losses that are not deemed to be other than temporarily impaired, aggregated by investment category and by length of time that individual securities have been in a continuous unrealized loss position (*in thousands*).

	Fair Value < 1 Year	Unrealized Losses < 1 Year	Fair Value > 1 Year	Unrealized Losses > 1 Year	Total Unrealized Losses
<b>June 30, 2015</b>					
Government sponsored enterprise mortgage-backed securities	\$ 62,741	\$ 474	\$ 7,587	\$ 238	\$ 712
Other mortgage-backed and asset-backed securities	19,744	65	3,771	74	139
Total	<u>\$ 82,485</u>	<u>\$ 539</u>	<u>\$ 11,358</u>	<u>\$ 312</u>	<u>\$ 851</u>

- (5) No change.

**E. Repurchase Agreements and/or Securities Lending Transactions**

None.

**F. Real Estate**

None.

**G. Low-Income Housing Tax Credits (LIHTC)**

None.

**H. Restricted Assets**

None.

**I. Working Capital Finance Investments**

None.

**J. Offsetting and Netting Assets and Liabilities**

None.

**K. Structured Notes**

No change.

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

A. – B. No change.

**7. Investment Income**

A. – B. No change.

**8. Derivative Instruments**

None.

**9. Income Taxes**

The Company is included in the consolidated federal income tax return of CFI. The federal statutory income tax rate for the Company is 35%. For federal income tax purposes, the Company benefits from a special deduction provided to certain BlueCross and BlueShield organizations under Internal Revenue Code Section 833(b) (the 833(b) deduction).

The 833(b) deduction results in the Company incurring income taxes at the Tentative Minimum Tax rate of 20%. As a result, the Company's income tax provision is reduced from the statutory rate of 35% to account for the benefit of the 833(b) deduction. The Company could lose the benefit of the 833(b) deduction in the future if there is a change in the tax law, if the Company ceases to be not-for-profit, if the Company's reserves reach certain levels, if the medical loss ratio does not exceed 85% as required under the Health Reform Legislation, or if certain other events occur. If the Company can no longer use the

## NOTES TO FINANCIAL STATEMENTS

833(b) deduction, the Company will incur federal income taxes at the statutory rate of 35%, net of available Alternative Minimum Tax (AMT) credits.

CFI has a written agreement, approved by the Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidated return. The tax sharing agreement calls for allocation of current federal income tax liability to the Company on the basis of the percentage of the consolidated federal income tax liability attributable to the Company computed on a separate company basis to the total consolidated federal income tax liability. The agreement also provides that to the extent the Company's tax attributes (e.g., NOLs) reduce the consolidated federal income tax liability, CFI shall pay the Company for use of such attributes in the year utilized. Amounts due from the subsidiaries for federal income taxes are settled quarterly.

Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

The following table shows the components of the net deferred tax asset and deferred tax liability recognized in the Company's financial statements by tax character (*in thousands*):

	Jun. 30, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$ 170,088	\$ 26,153	\$ 196,241	\$ 173,119	\$ 27,389	\$ 200,508	\$ (3,031)	\$ (1,236)	\$ (4,267)
Statutory valuation allowance adjustment	124,989	-	124,989	123,616	-	123,616	1,373	-	1,373
Adjusted gross deferred tax assets	45,099	26,153	71,252	49,503	27,389	76,892	(4,404)	(1,236)	(5,640)
Deferred tax assets nonadmitted	19,673	324	19,997	24,232	324	24,556	(4,559)	-	(4,559)
Subtotal net admitted deferred tax asset	25,426	25,829	51,255	25,271	27,065	52,336	155	(1,236)	(1,081)
Deferred tax liabilities	297	61,375	61,672	584	68,556	69,140	(287)	(7,181)	(7,468)
Net admitted deferred tax asset/(liability)	\$ 25,129	\$ (35,546)	\$ (10,417)	\$ 24,687	\$ (41,491)	\$ (16,804)	\$ 442	\$ 5,945	\$ 6,387

The amount of admitted adjusted gross deferred tax assets are as follows (*in thousands*):

	June 30, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 21,323	\$ -	\$ 21,323	\$ 5,958	\$ -	\$ 5,958	\$ 15,365	\$ -	\$ 15,365
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets from a, above) After application of the Threshold Limitation. (Lesser of b.i. and b.ii. Below)	2,375	-	2,375	13,000	-	13,000	(10,625)	-	(10,625)
i. Adjusted gross DTA expected to be realized following the Balance Sheet Date	2,375	-	2,375	13,000	-	13,000	(10,625)	-	(10,625)
ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	NA	NA	135,128	NA	NA	136,624	NA	NA	(1,496)
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above) Offset by Gross Deferred Tax Liabilities.	1,728	25,829	27,557	6,313	27,065	33,378	(4,585)	(1,236)	(5,821)
Deferred Tax Asset Admitted as the result of application of SSAP No. 101 Total (a.+b.+c.)	\$ 25,426	\$ 25,829	\$ 51,255	\$ 25,271	\$ 27,065	\$ 52,336	\$ 155	\$ (1,236)	\$ (1,081)

	2015	2014
Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	878%	878%
Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation	\$ 900,856	\$ 910,826

The impact of tax planning strategies on adjusted gross DTA's and net admitted DTA's is as follows (*in thousands*):

	June 30, 2015			December 31, 2014			Change		
	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent
Adjusted Gross DTAs	\$ 45,099	\$ 26,153	\$ 71,252	\$ 49,503	\$ 27,389	\$ 76,892	\$ (4,404)	\$ (1,236)	\$ (5,640)
Percentage of Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net Admitted Adjusted Gross DTAs	\$ 25,426	\$ 25,829	\$ 51,255	\$ 25,271	\$ 27,065	\$ 52,336	\$ 155	\$ (1,236)	\$ (1,081)
Percentage of Net Admitted Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%

The Company's tax-planning strategy does not include the use of reinsurance.

## NOTES TO FINANCIAL STATEMENTS

The provision/(benefit) for income taxes on earnings for the quarters ended June 30, 2015 and 2014 and year ended December 31, 2014 are as follows (*in thousands*):

	<b>Jun. 30, 2015</b>	<b>Jun. 30, 2014</b>	<b>Dec. 31, 2014</b>
Federal provision/(benefit)	\$ 14,630	\$ (3,773)	\$ (647)
Federal income tax on net capital gains	2,636	1,493	1,822
Federal income tax incurred/(benefit)	<u>\$ 17,266</u>	<u>\$ (2,280)</u>	<u>\$ 1,175</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows (*in thousands*):

<b>Deferred Tax Assets:</b>	<b>Jun. 30, 2015</b>	<b>Dec. 31, 2014</b>	<b>Change</b>
<b>Ordinary</b>			
Benefit Obligations	\$ 40,675	\$ 40,572	\$ 103
Unpaid Claims	963	1,104	(141)
Accrued Expenses	5,477	5,603	(126)
Nonadmitted Assets	23,908	29,038	(5,130)
AMT Credits	89,448	88,212	1,236
Other	9,617	8,591	1,026
Subtotal	<u>170,088</u>	<u>173,120</u>	<u>(3,032)</u>
Statutory valuation allowance adjustment	124,989	123,616	1,373
Nonadmitted	<u>19,673</u>	<u>24,232</u>	<u>(4,559)</u>
Admitted ordinary deferred tax assets	<u>25,426</u>	<u>25,272</u>	<u>154</u>
<b>Capital</b>			
Investments	<u>26,153</u>	<u>27,388</u>	<u>(1,235)</u>
Subtotal	<u>26,153</u>	<u>27,388</u>	<u>(1,235)</u>
Nonadmitted	<u>324</u>	<u>324</u>	<u>-</u>
Admitted capital deferred tax assets	<u>25,829</u>	<u>27,064</u>	<u>(1,235)</u>
Admitted deferred tax assets	<u>51,255</u>	<u>52,336</u>	<u>(1,081)</u>
<b>Deferred Tax Liabilities:</b>			
<b>Ordinary</b>			
Accrued Expenses	287	573	(286)
Unpaid Claims	10	11	(1)
Subtotal	<u>297</u>	<u>584</u>	<u>(287)</u>
<b>Capital</b>			
Investments	1,675	5,972	(4,297)
Investment in affiliate	<u>59,700</u>	<u>62,584</u>	<u>(2,884)</u>
Subtotal	<u>61,375</u>	<u>68,556</u>	<u>(7,181)</u>
Deferred tax liabilities	<u>61,672</u>	<u>69,140</u>	<u>(7,468)</u>
Net deferred tax liabilities	<u>\$ (10,417)</u>	<u>\$ (16,804)</u>	<u>\$ 6,387</u>

Deferred tax assets are reflected as admitted assets, subject to certain limitations. The components of the net deferred tax asset recognized in the Company's balance sheets—statutory basis are as follows (*in thousands*):

	<b>Jun. 30, 2015</b>	<b>Dec. 31, 2014</b>	<b>Change</b>
Adjusted gross deferred tax assets	\$ 71,252	\$ 76,890	\$ (5,638)
Total deferred tax liabilities	<u>61,672</u>	<u>69,140</u>	<u>7,468</u>
Net deferred tax assets/(liabilities)	\$ 9,580	\$ 7,750	\$ 1,830
Tax effect of unrealized gains(losses)			(1,921)
Investment in Affiliate			<u>(1,648)</u>
Change in net deferred income tax			<u>\$ (1,739)</u>

## NOTES TO FINANCIAL STATEMENTS

The reconciliation of the federal income tax rate to the actual effective rate is as follows (*in thousands*):

	Jun. 30, 2015	Effective Tax Rate
Benefit computed at statutory rate	\$ 5,244	35.00%
Permanent book to tax and other reserve adjustment	9,935	66.31%
Pension Equity	(2,677)	-17.87%
Changes in valuation allowance	1,372	9.16%
Nonadmitted assets and other	5,131	34.26%
Total	<u>\$ 19,005</u>	<u>126.86%</u>
Federal income taxes incurred	\$ 17,266	115.24%
Change in net deferred income taxes	1,739	11.62%
Total statutory income taxes	<u>\$ 19,005</u>	<u>126.86%</u>

Beginning in 2014, Health Reform Legislation imposed an annual HIF on health insurers. The HIF is a nondeductible permanent item for income tax purposes thus increasing the company's effective tax rate.

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2011 and forward remain open under the statutes of limitation and subject to examination.

The Company is exempt from all state income taxes in the jurisdictions for which it is registered to do business.

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

Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) is a not-for-profit company that provides a comprehensive array of health insurance and managed care products and services primarily through indemnity health insurance and health benefits administration. Other products and services include preferred provider and point of service networks, third-party administrator services and other managed care services. These products and services are provided to individuals, businesses and governmental agencies primarily in the Washington, D.C. metropolitan area, Northern Virginia and the state of Maryland.

The Company and CareFirst of Maryland, Inc. (CFMI) are both affiliates of a not-for-profit parent company, CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield. The Company and CFMI hold joint interests in a holding company, CareFirst Holdings, LLC (CFH). CFH was formed on December 31, 2010 by contributed assets from the Company and CFMI. CFH's wholly-owned subsidiaries include First Care, Inc. (FirstCare), CFA, LLC, National Capital Insurance Agency, LLC, Capital Area Services Company, LLC and CareFirst BlueChoice, Inc. and its subsidiaries. CFH and its subsidiaries are owned 50.001% by CFMI and 49.999% by GHMSI. Since control over CFH operations is vested in CFI, GHMSI determined that neither GHMSI nor CFMI exercise control over CFH.

GHMSI's subsidiary, Service Benefit Plan Administrative Services Corporation (SBP), was created to operate the Federal Employee Program Operations Center under a contract with the BlueCross BlueShield Association (BCBSA). SBP is 90% owned by GHMSI and 10% owned by BCBSA.

#### 11. Debt

None.

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

The components of net periodic benefit cost for the six months ended June 30, 2015 and 2014 are as follows (*in thousands*):

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Service cost	\$ 3,386	\$ 3,608	\$ 326	\$ 314
Interest cost	6,886	7,302	546	602
Expected return on plan assets	(11,526)	(12,934)	-	-
Amortization of transition asset	(1,324)	(1,324)	-	-
Amortization of prior service cost	108	104	138	138
Net recognized actuarial loss	4,068	1,434	-	-
Net periodic benefit cost for the six months ended June 30	<u>\$ 1,598</u>	<u>\$ (1,810)</u>	<u>\$ 1,010</u>	<u>\$ 1,054</u>

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

(1) – (8) No change.

## NOTES TO FINANCIAL STATEMENTS

(9) The Company is subject to the Health Insurer Fee (HIF) under Section 9010 of the Patient Protection and Affordable Care Act. In accordance with SSAP No. 106 *Affordable Care Act Section 9010 Assessment* (SSAP 106) the Company's estimated HIF payable in the following year is required to be reclassified from unassigned surplus to special surplus. The Company's balance of special surplus funds represents the amount reclassified for the period.

(10) Change in net unrealized capital gains (losses) for the six months ended June 30, 2015:

Change in the unrealized gains (losses) from:

Affiliated other invested assets:

CareFirst Holdings	\$	(366,141)
CareFirst BlueChoice		(8,239,225)
FirstCare		504,821
CFA		780,980
CASCI		1,508,067
NCIA		41,905
Unaffiliated common stocks		(9,618,989)
Bonds		12,661
Total unrealized gains (losses)		<u>(15,375,921)</u>
Capital gains deferred taxes		<u>3,362,215</u>

**Change in net unrealized capital gains (losses)**

**less capital gains taxes (page 5 line 36) \$ (12,013,706)**

(11) – (13) No change.

#### 14. Liabilities, Contingencies and Assessments

##### A. Contingent Commitments

None.

##### B. Assessments

In the jurisdictions in which the Company is licensed to conduct business, guaranty associations have been created for the purpose, among others, of protecting insured parties under health insurance policies when a health insurer becomes impaired, insolvent, or fails. The Company is contingently liable for assessments in any calendar year, in order to provide any required funds to carry out the power and duties of the associations. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets.

The Pennsylvania Insurance Commissioner has placed long-term care insurer Penn Treaty Network America Insurance Company and one of its subsidiaries (collectively, "Penn Treaty") in rehabilitation, an intermediate action before insolvency, and has petitioned a state court for liquidation. If Penn Treaty is liquidated, the Company and other insurers may be required to pay a portion of Penn Treaty's policyholder claims related to their jurisdictions through guaranty association assessments in future periods. The Company is currently unable to predict the ultimate outcome of, or reasonably estimate the loss or range of losses resulting from, this potential insolvency because the Company cannot predict when the state court will render a decision, the amount of the insolvency, if any, the amount and timing of associated guaranty association assessments or the amount or availability of potential offsets, such as premium tax offsets. It is possible that in future reporting periods the Company may record a liability and a premium tax offset receivable relating to Penn Treaty which could have a material adverse effect on the Company's financial statements.

##### C. Gain Contingencies

None.

##### D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None.

##### E. Joint and Several Liabilities

None.

##### F. All Other Contingencies

The Company insures individuals and provides administrative services to non-risk groups with members who are qualified Medicare beneficiaries. Medicare law identifies the primary payer and secondary payer of claims when individuals are insured by either the Company or an employer and Medicare. During 2012, the Company discovered a processing error related to the handling of claims for Medicare members of certain non-risk groups

## NOTES TO FINANCIAL STATEMENTS

between the years from 2009 to 2012. This error was promptly corrected once identified by the Company. As a result, CFMI and GHMSI recorded a liability of \$4,800,000, of which \$1,143,000 was recorded by the Company representing the Company's best estimate of its portion of liability to the Centers for Medicare and Medicaid Services (CMS) at December 31, 2012. At December 31, 2013, the liability was reduced to \$721,000 after the Company completed its review of the claims data related to this liability. In 2014, the Company revised its estimate and recorded an additional liability of \$540,000. The balance of the liability is \$1,261,000 as of December 31, 2014, and is included in other liabilities. There have been no adjustments to this liability since December 31, 2014. The Company's management believes that the final resolution of this matter will not result in additional material liabilities to the Company.

On December 30, 2014, the District of Columbia (District) DISB issued an order in which it concluded that GHMSI's RBC of 998% at December 31, 2011 was excessive, and that the appropriate RBC was 721%. The order states that 21% of GHMSI's surplus is attributable to the District. The order also states that GHMSI must submit a plan to the DISB for dedication of its excess 2011 surplus attributable to the District to community reinvestment in a fair and equitable manner. On January 22, 2015, GHMSI submitted a motion with the DISB requesting the Commissioner to reconsider this order. This motion was denied by the Commissioner on January 28, 2015. In the denial, the DISB granted GHMSI an extension to file its plan until March 16, 2015. On January 29, 2015, GHMSI filed an appeal with the D.C. Court of Appeals. GHMSI believes that the DISB did not properly apply the statute. On February 10, 2015, GHMSI filed a motion to stay any further proceedings, which was denied.

On February 10, 2015, the Maryland Insurance Commissioner issued an order instructing GHMSI not to reduce or distribute its surplus or to file any remedial plan in D.C. until Maryland had concluded an examination of the effects of the DISB order. DC Applesed filed a request for hearing with the Maryland Commissioner on February 21, 2015, causing the Maryland order to automatically become stayed until after a hearing.

On March 16, 2015, GHMSI filed the plan with the DISB pursuant to the instruction in the DISB December 30, 2014 order. In its plan, GHMSI states that no further reduction or distribution of surplus attributable to the District would be warranted, because the surplus attributable to the District has fallen significantly since 2011 on account of rate reduction and moderation, community giving, and other community reinvestment.

On April 28, 2015, the D.C. Court of Appeals dismissed all pending appeals in this matter, on the grounds that the December 30, 2014 order was not an appealable, final order. The Court concluded that there will not be a final order until the D.C. Insurance Commissioner issues an order addressing the March 16, 2015 plan filed by GHMSI.

After receiving a report from the Virginia Bureau of Insurance, the Virginia State Corporation Commission concluded that the December 30, 2014 order has the potential to harm the interests of Virginians, but it has stayed further proceedings until after the DISB responds to GHMSI's plan.

There is no present instruction to GHMSI to pay any sum of money, and there will be significant additional proceedings before any remedial plan is adopted. Those proceedings include the appeal of the final order that has not yet been issued, potential Federal challenges by Maryland and Virginia, and proceedings to determine the contents of any remedial plan. GHMSI has considered the instructions within the order and all pertinent information through the date of issuance of the financial statements to determine if a loss contingency accrual should be recorded. Currently, the effect of any remedial plan upon GHMSI in terms of dollars is uncertain, given that GHMSI's RBC has decreased since December 31, 2011. Since that date, GHMSI has engaged in significant community reinvestment and suffered significant losses on business in the District which has reduced its RBC. GHMSI's requirements to consider the instructions of its regulators in Maryland and Virginia, and the pending legal decisions that will occur at a future time, coupled with the decline in RBC since the December 31, 2011 measurement date in the DISB December 30, 2014 order, and the fact that the December 30, 2014 order is not an appealable final order, combine to create substantial uncertainty as to whether a contingent liability exists at June 30, 2015. Therefore, GHMSI has concluded that it is not probable that a loss has been incurred. GHMSI has also concluded that a reasonable estimate of loss cannot be determined at this time. GHMSI will continue to monitor the developments in this matter which may require a reconsideration of whether a loss contingency should be recorded at a future date.

### 15. Leases

#### A. Lessee Operating Lease

No change.

#### B. Lessor Leases

Not applicable.

### 16. Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable.

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

#### A. Transfers of Receivables Reported as Sales

Not applicable.

#### B. Transfer and Servicing of Financial Assets

## NOTES TO FINANCIAL STATEMENTS

Not applicable.

**C. Wash Sales**

None.

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

**A. ASO Plans**

Not applicable.

**B. ASC Plans**

The results from operations of uninsured ASC plans and the uninsured portion of partially insured plans were as follows for the six months ended June 30, 2015 and 2014 (*in thousands*):

	<b>June 30</b>	
	<b>2015</b>	<b>2014</b>
Gross reimbursement for medical costs incurred	\$ 382,051	\$ 373,344
Gross administrative fees accrued	24,864	23,405
Gross expenses incurred	(415,324)	(410,316)
Operating loss, before stop loss	\$ (8,409)	\$ (13,567)
Stop loss, net	6,465	2,910
Proforma operating loss	\$ (1,944)	\$ (10,657)

The stop loss amount reported above represents the stop loss underwriting gain from the ASC business.

For the six months ended June 30, 2015, GHMSI ceded an ASC underwriting loss of \$1,217,000 to CFMI and assumed an ASC underwriting loss of \$471,000 from CFMI for a net underwriting gain of \$746,000. For the six months ended June 30, 2014, GHMSI ceded an ASC underwriting loss of \$729,000 to CFMI and assumed an ASC underwriting loss of \$3,970,000 from CFMI for a net underwriting loss of \$3,241,000.

**C. Medicare or Similarly Structured Cost Based Reimbursement Contract**

Not applicable.

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

Not applicable.

**20. Fair Value Measurements**

Included in various investment-related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stocks when carried at the lower of cost or market. SSAP No. 100 *Fair Value* defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value. The fair value hierarchy is as follows:

- Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – Other observable inputs, either directly or indirectly.
- Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

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. Management is responsible for the determination of fair value, and performs monthly analyses on the prices received from third parties to determine whether the prices appear to be reasonable estimates of fair value.

There were no transfers between levels during the six months ended June 30, 2015.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

**Bonds.** The fair value of U.S. Treasury securities is determined by an active price for an identical security in an observable market and is therefore classified as Level 1. Other U.S. government agencies securities, state and municipal securities, foreign governments securities, corporate bonds, mortgage-backed securities and other asset-backed securities that are priced by independent pricing services using observable inputs are classified as Level 2. Observable inputs used for other U.S. government agencies securities include quoted prices for like or similar assets, benchmark yields, reported trades and credit spreads. Observable inputs used for state and municipal securities, foreign governments securities and corporate bonds include quoted prices for identical or similar assets that are traded in an active market, benchmark yields, new issuances,

## NOTES TO FINANCIAL STATEMENTS

issuer ratings, reported trades of comparable securities and credit spreads. The fair value of mortgage-backed securities and other asset-backed securities is determined by a cash flow model, which utilizes observable inputs such as quoted prices for identical or similar assets, benchmark yields, prepayment speeds, collateral performance, credit spreads, and default rates at commonly quoted intervals.

**Stocks.** Fair values of publicly-traded index funds where market quotes are available but are not considered actively traded are classified as Level 2. Fair values of privately held equity securities, where there has been limited trading activity or where less price transparency exists around the inputs to the valuation, are classified as Level 3.

The following table presents information about the fair value of the Company's financial instruments measured and reported at fair value (*in thousands*).

	<b>Quoted Prices in Active Markets (Level 1)</b>		<b>Other Observable Inputs (Level 2)</b>		<b>Unobservable Inputs (Level 3)</b>		<b>Total Fair Value as of June 30, 2015</b>
<b>Assets</b>							
Bonds	\$	–	\$	865	\$	–	\$ 865
Common stocks							
Large capital equity index fund		–		22,243		–	22,243
Small capital equity index fund		–		19,256		–	19,256
International equity index fund		–		23,818		–	23,818
Publicly-traded fixed income index fund (a)		–		27,644		–	27,644
Privately held equity securities		–		–		3,910	3,910
Total common stocks		–		92,961		3,910	96,871
Total assets measured and reported at fair value	\$	–	\$	93,826	\$	3,910	\$ 97,736

(a) Represent investments in U.S. Treasury inflation-protected securities.

A reconciliation of the beginning and ending balances of privately held equity securities measured at fair value using Level 3 inputs is as follows (*in thousands*):

Beginning balance at January 1, 2015	\$	3,983
Losses recognized in capital and surplus—statutory-basis		(73)
Ending balance at June 30, 2015	\$	3,910

The following table presents information about the aggregate fair value of the Company's financial instruments (*in thousands*).

	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Other Observable Inputs (Level 2)</b>	<b>Unobservable Inputs (Level 3)</b>	<b>Aggregate Fair Value as of June 30, 2015</b>	<b>Admitted Assets as of June 30, 2015</b>
Bonds	\$ 112,304	\$ 422,088	\$ –	\$ 534,392	\$ 535,056
Common stocks	–	92,961	3,910	96,871	96,871
Total assets at fair value	\$ 112,304	\$ 515,049	\$ 3,910	\$ 631,263	\$ 631,927

As of June 30, 2015, the Company has no financial instruments for which it is not practicable to estimate fair value.

## 21. Other Items

### A. Extraordinary Items

Not applicable.

### B. Troubled Debt Restructuring: Debtors

Not applicable.

### C. Other Disclosures and Unusual Items

In accordance with SSAP 106, the entire HIF is recognized as general administrative expense on January 1. As of June 30, 2015 and 2014, the Company has recorded the HIF of \$59,262,000 and \$39,092,000, respectively, net of reinsurance.

## NOTES TO FINANCIAL STATEMENTS

On May 20, 2015, CareFirst announced that it was the target of a sophisticated cyberattack. The attackers gained limited, unauthorized access to a single CareFirst database. This was discovered as a part of CareFirst's ongoing Information Technology (IT) security efforts in the wake of recent cyberattacks on health insurers. CareFirst engaged one of the world's leading cybersecurity firms to conduct an end-to-end examination of its IT environment. This review included multiple, comprehensive scans of CareFirst's IT systems for any evidence of a cyberattack. Evidence suggests the attackers could have potentially acquired member user names created by individuals to use CareFirst's website, as well as members' names, birth dates, email addresses and subscriber identification number. Based upon the evidence, it was determined that in June 2014 cyber-attackers gained access to a single database in which CareFirst stores data that members and other individuals use to access CareFirst's websites and online services. The cybersecurity firm completed its review and found no indication of any other prior or subsequent attack or evidence that other personal information was accessed.

Currently, CareFirst is in the process of addressing the cyberattack and supporting law enforcement efforts to identify the responsible parties. CareFirst is providing credit monitoring and identity protection services to those who have been affected by this cyberattack. While the cyberattack did not have an impact on CareFirst's business and financial results at June 30, 2015, CareFirst has accrued a reserve to investigate and remediate this matter.

Due to the uncertainties surrounding these matters, CareFirst is unable to reach a conclusion regarding any existing and potential claims. CareFirst continues to monitor the development of these matters.

**D. Business Interruption Insurance Recoveries**

Not applicable.

**E. State Transferable and Non-transferable Tax Credits**

Not applicable.

**F. Subprime-Mortgage-Related Risk Exposure**

- (1) The Company categorizes mortgage securities with an average FICO score of less than 675 (credit score) as a subprime mortgage security. The Company has no subprime mortgage securities as of June 30, 2015.
- (2) The Company does not engage in mortgage lending and therefore has no direct exposure through investments in subprime mortgage loans.
- (3) The Company has no exposure in subprime mortgage lending through its fixed maturity and equity investments.

**G. Retained Assets**

Not applicable.

**22. Events Subsequent**

Not applicable.

**23. Reinsurance****A. Ceded Reinsurance Report**

The Company maintains a quota-share reinsurance contract with FirstCare, a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with CMS. Effective July 11, 2014, FirstCare is no longer a Medicare Part D plan sponsor. Therefore, the reinsurance amounts assumed by the Company represent FirstCare's obligations from run-out activities. The Company assumed risk premiums in the amount of \$0 and \$4,034,000, and incurred an underwriting loss in the amount of \$104,000 and \$402,000 for the six months ended June 30, 2015 and 2014, respectively.

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). The net underwriting gain or loss from this cross-jurisdictional business is transferred via a quota-share reinsurance contract from the company that earned them to the company in whose service area they were earned. The Company remains obligated for amounts ceded in the event that CFMI does not meet its obligations. As a result of this reinsurance agreement, the following amounts were assumed from and ceded to CFMI for the six months ended June 30, 2015 and 2014 (*in thousands*):

## NOTES TO FINANCIAL STATEMENTS

	June 30	
	2015	2014
Premiums assumed	\$ 18,967	\$ 22,889
Premiums ceded	(56,183)	(89,021)
Premiums, net	(37,216)	(66,132)
Cost of care assumed	14,292	15,291
Cost of care ceded	(35,770)	(72,770)
Cost of care, net	(21,478)	(57,479)
General and administrative expenses ceded, net	(7,474)	(15,113)
Net (gain) loss ceded	\$ (8,264)	\$ 6,460

**B. Uncollectible Reinsurance**

Not applicable.

**C. Commutation of Ceded Reinsurance**

Not applicable.

**D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation**

Not applicable.

**24. Retrospectively Rated Contracts and Contracts Subject to Redetermination**

A. – C. Not applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act are as follows (*in thousands*):

	Other				Total
	Individual	Small Group Employer	Large Group Employer	Categories with Rebates	
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ —	\$ 8	\$ —	\$ —	\$ 8
(2) Medical loss ratio rebates paid	—	8	—	—	8
(3) Medical loss ratio rebates unpaid	—	—	—	—	—
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	469
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 469
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ —	\$ —	\$ —	\$ —	\$ —
(8) Medical loss ratio rebates paid	—	—	—	—	—
(9) Medical loss ratio rebates unpaid	—	—	—	—	—
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	469
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 469

The assumed amount above is under the Company's reinsurance contract with FirstCare (refer to Note 23).

**E. Risk-Sharing Provisions of the Affordable Care Act**

- Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act (ACA) risk-sharing provisions?

Yes.

## NOTES TO FINANCIAL STATEMENTS

2. Impact of Risk-Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue for the six months ended June 30, 2015 (*in thousands*):

a.	Permanent ACA Risk Adjustment Program		
	Assets		
	1. Premium adjustments receivable due to ACA Risk Adjustment	\$	47,256
	Liabilities		
	2. Risk adjustment user fees payable for ACA Risk Adjustment		97
	3. Premium adjustments payable due to ACA Risk Adjustment		7,660
	Operations (Revenue & Expense)		
	4. Reported as revenue in premium for accident and health contracts written due to ACA Risk Adjustment		13,396
	5. Reported in expenses as ACA risk adjustment user fees incurred		49
b.	Transitional ACA Reinsurance Program		
	Assets		
	1. Amounts recoverable for claims paid due to ACA Reinsurance	\$	27,322
	2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)		2,624
	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		16,625
	5. Ceded reinsurance premiums payable due to ACA Reinsurance		548
	6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance		-
	Operations (Revenue & Expense)		
	7. Ceded reinsurance premiums due to ACA Reinsurance		548
	8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		14,700
	9. ACA Reinsurance contributions – not reported as ceded premium		10,835
c.	Temporary ACA Risk Corridors Program		
	Assets		
	1. Accrued retrospective premium due from ACA Risk Corridors	\$	-
	Liabilities		
	2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		1,490
	Operations (Revenue & Expense)		
	3. Effect of ACA Risk Corridors on net premium income		-
	4. Effect of ACA Risk Corridors on change in reserves for rate credits		870

The above amounts are subject to the Company's reinsurance agreement with CFMI as noted in Note 23.

## NOTES TO FINANCIAL STATEMENTS

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

	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
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ 26,200	\$ -	\$ -	\$ -	\$ 26,200	\$ -	\$ 8,241	\$ -	A	\$ 34,441	\$ -
2. Premium adjustments (payable)	-	-	-	-	-	-	-	5,844	B	-	5,844
3. Subtotal ACA Permanent Risk Adjustment Program	26,200	-	-	-	26,200	-	8,241	5,844		34,441	5,844
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	13,961	-	-	-	13,961	-	4,852	-	C	18,813	-
2. Amounts recoverable for claims unpaid (contra liability)	1,285	-	-	-	1,285	-	(1,285)	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	-	5,791	-	-	-	5,791	-	-	F	-	5,791
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	15,246	5,791	-	-	15,246	5,791	3,567	-		18,813	5,791
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	620	-	-	-	620	-	870	J	-	1,490
3. Subtotal ACA Risk Corridors Program	-	620	-	-	-	620	-	870		-	1,490
d. Total for ACA Risk Sharing Provisions	\$ 41,446	\$ 6,411	\$ -	\$ -	\$ 41,446	\$ 6,411	\$ 11,808	\$ 6,714		\$ 53,254	\$ 13,125

## Explanations of Adjustments:

- A. True-up to reflect the 2014 actual based upon the risk adjustment results published by HHS.
- B. True-up to reflect the 2014 actual based upon the risk adjustment results published by HHS.
- C. Include run-out claims through 3/31/2015. In addition, the increase is due to an increase in coinsurance rate for the 2014 benefit year from 80% to 100%.
- D. Accrued receivable is now included in amounts recoverable for claims paid.
- E. Not applicable.
- F. Not applicable.
- G. Not applicable.
- H. Not applicable.
- I. Not applicable.
- J. True-up of year-end estimate.

**25. Change in Incurred Claims and Claim Adjustment Expenses**

As of June 30, 2015, \$230,224,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$19,470,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$31,486,000 favorable prior year development since December 31, 2014 to June 30, 2015, which includes an \$11,275,000 favorable development in the Federal Employee Program line of business. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

**26. Intercompany Pooling Arrangements**

Not applicable.

**27. Structured Settlements**

Not applicable.

**28. Health Care Receivables****A. Pharmaceutical Rebate Receivables**

No change.

**B. Risk Sharing Receivables**

## NOTES TO FINANCIAL STATEMENTS

Not applicable.

### **29. Participating Policies**

Not applicable.

### **30. Premium Deficiency Reserve**

1. Liability carried for premium deficiency reserves: \$5,890,000 within aggregate health policy reserves
2. Date of the most recent evaluation of this liability: June 30, 2015
3. Was anticipated investment income utilized in the calculation? No

### **31. Anticipated Salvage and Subrogation**

No change.

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [ X ]
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]
- 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 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 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [ X ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 4.2 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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] N/A [ X ]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2013
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2013
- 6.3 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). .... 06/29/2015
- 6.4 By what department or departments?  
District of Columbia Department of Insurance, Securities and Banking
- 6.5 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 ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] N/A [ X ]
- 7.1 Has this 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 ]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide 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

## GENERAL INTERROGATORIES

- 9.1 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  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.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? ..... Yes  No   
 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 The code was amended with an effective date of February 26, 2015 to maintain compliance with the applicable provisions of the Federal Acquisition Regulation.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes  No   
 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes  No   
 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....0

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes  No   
 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....0  
 13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes  No   
 14.2 If yes, please complete the following:
- |   | 1<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Book/Adjusted<br>Carrying Value |
|---|--|---|
| 14.21 Bonds .....   | \$ .....0  | \$ .....0   |
| 14.22 Preferred Stock .....   | \$ .....0  | \$ .....0   |
| 14.23 Common Stock .....  | \$ .....0  | \$ .....0   |
| 14.24 Short-Term Investments .....  | \$ .....0  | \$ .....0   |
| 14.25 Mortgage Loans on Real Estate .....   | \$ .....0  | \$ .....0   |
| 14.26 All Other .....   | \$ .....459,481,042                                    | \$ .....453,711,449                                     |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) ..... | \$ .....459,481,042                                    | \$ .....453,711,449                                     |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....                       | \$ .....0  | \$ .....0   |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes  No   
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No   
 If no, attach a description with this statement.

## GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....\$ .....0
  - 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....\$ .....0
  - 16.3 Total payable for securities lending reported on the liability page .....\$ .....0

17. 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 [  ] No [  ]
- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
SunTrust Bank .....	1445 New York Ave., Washington DC 20005 .....
Bank of New York Mellon .....	1 Wall Street, New York NY 10286 .....

- 17.2 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)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [  ] No [  ]

- 17.4 If yes, give full information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address
15958 .....	Vanguard .....	P.O. Box 2900 Valley Forge, PA 19482 .....
104596 .....	Dodge & Cox .....	55 California St., San Francisco, CA 94104 .....
105496 .....	T. Rowe Price .....	100 E. Pratt Street, Baltimore MD 21202 .....

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? ..... Yes [  ] No [  ]

- 18.2 If no, list exceptions:

# GENERAL INTERROGATORIES

## PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent .....86.4 %
  - 1.2 A&H cost containment percent .....1.7 %
  - 1.3 A&H expense percent excluding cost containment expenses .....14.6 %
- 2.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date .....\$.....0
- 2.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date .....\$.....0

**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
<b>NONE</b>								

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

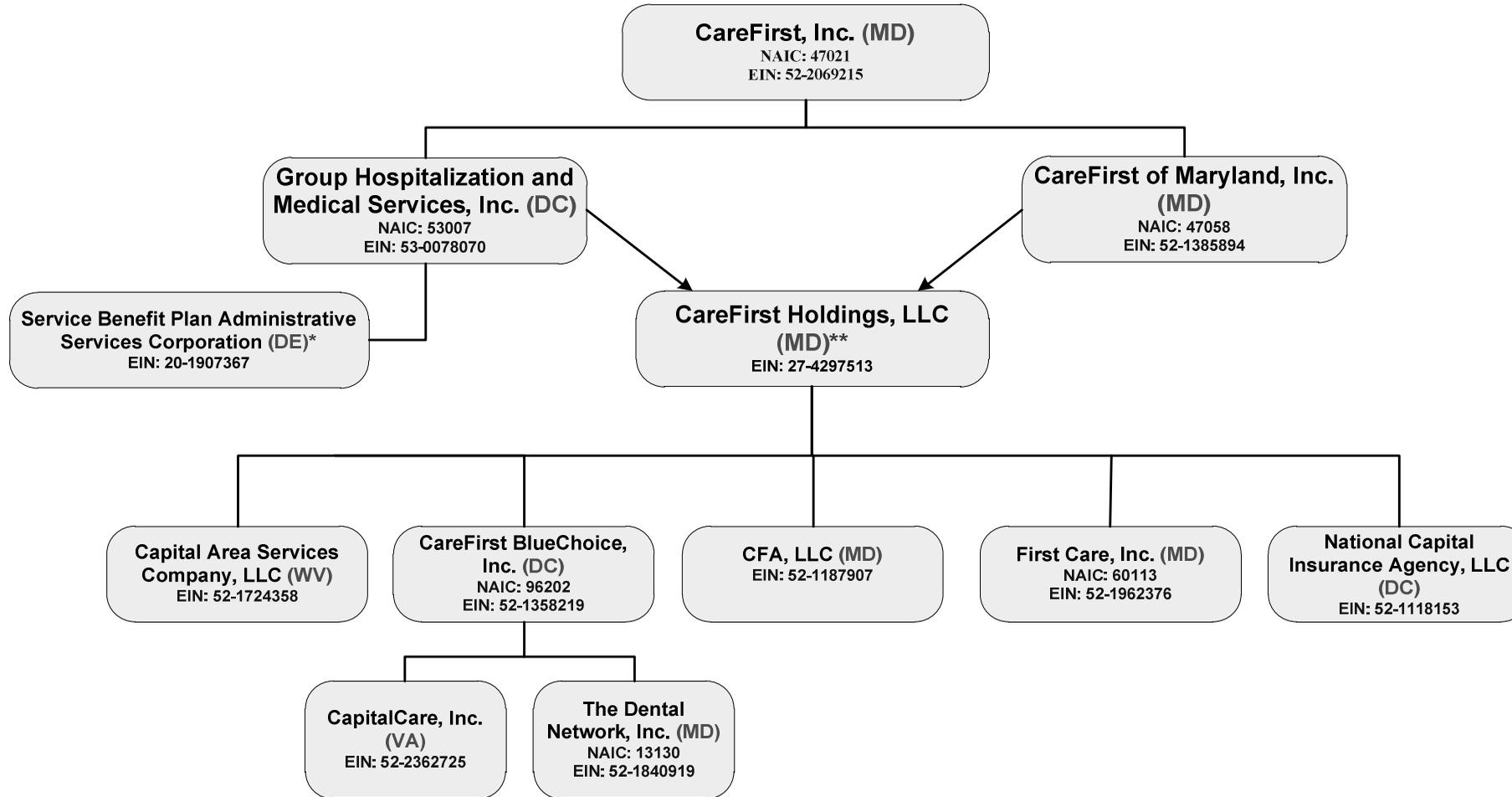
States, etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama AL	N	0	0	0	0	0	0	0	0
2. Alaska AK	N	0	0	0	0	0	0	0	0
3. Arizona AZ	N	0	0	0	0	0	0	0	0
4. Arkansas AR	N	0	0	0	0	0	0	0	0
5. California CA	N	0	0	0	0	0	0	0	0
6. Colorado CO	N	0	0	0	0	0	0	0	0
7. Connecticut CT	N	0	0	0	0	0	0	0	0
8. Delaware DE	N	0	0	0	0	0	0	0	0
9. District of Columbia DC	L	270,898,353	0	0	194,320,583	0	0	465,218,936	0
10. Florida FL	N	0	0	0	0	0	0	0	0
11. Georgia GA	N	0	0	0	0	0	0	0	0
12. Hawaii HI	N	0	0	0	0	0	0	0	0
13. Idaho ID	N	0	0	0	0	0	0	0	0
14. Illinois IL	N	0	0	0	0	0	0	0	0
15. Indiana IN	N	0	0	0	0	0	0	0	0
16. Iowa IA	N	0	0	0	0	0	0	0	0
17. Kansas KS	N	0	0	0	0	0	0	0	0
18. Kentucky KY	N	0	0	0	0	0	0	0	0
19. Louisiana LA	N	0	0	0	0	0	0	0	0
20. Maine ME	N	0	0	0	0	0	0	0	0
21. Maryland MD	L	222,944,667	0	0	413,683,513	0	0	636,628,180	0
22. Massachusetts MA	N	0	0	0	0	0	0	0	0
23. Michigan MI	N	0	0	0	0	0	0	0	0
24. Minnesota MN	N	0	0	0	0	0	0	0	0
25. Mississippi MS	N	0	0	0	0	0	0	0	0
26. Missouri MO	N	0	0	0	0	0	0	0	0
27. Montana MT	N	0	0	0	0	0	0	0	0
28. Nebraska NE	N	0	0	0	0	0	0	0	0
29. Nevada NV	N	0	0	0	0	0	0	0	0
30. New Hampshire NH	N	0	0	0	0	0	0	0	0
31. New Jersey NJ	N	0	0	0	0	0	0	0	0
32. New Mexico NM	N	0	0	0	0	0	0	0	0
33. New York NY	N	0	0	0	0	0	0	0	0
34. North Carolina NC	N	0	0	0	0	0	0	0	0
35. North Dakota ND	N	0	0	0	0	0	0	0	0
36. Ohio OH	N	0	0	0	0	0	0	0	0
37. Oklahoma OK	N	0	0	0	0	0	0	0	0
38. Oregon OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania PA	N	0	0	0	0	0	0	0	0
40. Rhode Island RI	N	0	0	0	0	0	0	0	0
41. South Carolina SC	N	0	0	0	0	0	0	0	0
42. South Dakota SD	N	0	0	0	0	0	0	0	0
43. Tennessee TN	N	0	0	0	0	0	0	0	0
44. Texas TX	N	0	0	0	0	0	0	0	0
45. Utah UT	N	0	0	0	0	0	0	0	0
46. Vermont VT	N	0	0	0	0	0	0	0	0
47. Virginia VA	L	253,551,889	0	0	317,282,328	0	0	570,834,217	0
48. Washington WA	N	0	0	0	0	0	0	0	0
49. West Virginia WV	N	0	0	0	0	0	0	0	0
50. Wisconsin WI	N	0	0	0	0	0	0	0	0
51. Wyoming WY	N	0	0	0	0	0	0	0	0
52. American Samoa AS	N	0	0	0	0	0	0	0	0
53. Guam GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	0
57. Canada CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Aliens OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	747,394,909	0	0	925,286,424	0	0	1,672,681,333	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61. Totals (Direct Business)	(a) 3	747,394,909	0	0	925,286,424	0	0	1,672,681,333	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.

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

Enrollment and billing systems capture and report premiums by group situs except for Federal Employees Health Benefits Program (FEHBP). FEHBP premiums from members residing in the United States are reported based on the members' residence whereas premiums from overseas members are reported in D.C.

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



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\*Service Benefit Plan Administrative Services Corporation is owned 90% by Group Hospitalization and Medical Services, Inc. and 10% by the Blue Cross and Blue Shield Association.

\*\*CareFirst Holdings, LLC is owned 50.001% by CareFirst of Maryland, Inc. and 49.999% by Group Hospitalization and Medical Services, Inc.

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE Y**  
**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
.0380	Carefirst Inc Group	47021	52-2069215				CareFirst, Inc.	MD	IA			0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	53007	53-0078070				Group Hospitalization and Medical Services, Inc.	DC	RE	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	47058	52-1385894				CareFirst of Maryland, Inc.	MD	IA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		00000	20-1907367				Service Benefit Plan Administrative Services Corporation	DE	DS	Group Hospitalization and Medical Services, Inc.	Ownership	90.000	CareFirst, Inc.	
		00000	27-4297513				CareFirst Holdings, LLC	MD	NIA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		00000	52-1724358				Capital Area Services Company, LLC	WV	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	96202	52-1358219				CareFirst BlueChoice, Inc.	DC	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-1187907				CFA, LLC	MD	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	60113	52-1962376				First Care, Inc.	MD	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-1118153				National Capital Insurance Agency, LLC	DC	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-2362725				CapitalCare, Inc.	VA	NIA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	13130	52-1840919				The Dental Network, Inc.	MD	IA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	

Asterisk	Explanation
N/A	

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? .....	NO

Explanation:

1.

Bar Code:

1. Medicare Part D Coverage Supplement [Document Identifier 365]



**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Assets Line 25

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols: 1 - 2)	
2504. Other Assets .....	1,412,428	0	1,412,428	1,412,428
2597. Summary of remaining write-ins for Line 25 from overflow page	1,412,428	0	1,412,428	1,412,428

Additional Write-ins for Liabilities Line 23

	Current Period			4 Prior Year Total
	1 Covered	2 Uncovered	3 Total	
2304. Other Liabilities .....	40,855,045	0	40,855,045	37,054,163
2397. Summary of remaining write-ins for Line 23 from overflow page	40,855,045	0	40,855,045	37,054,163

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other than temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10) .....		

NONE

**SCHEDULE B - VERIFICATION**

Mortgage Loans

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

NONE

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	459,647,709	435,684,914
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	(5,769,593)	23,962,795
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and depreciation .....	0	0
9. Total foreign exchange change in book/adjusted carrying value .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	453,878,116	459,647,709
12. Deduct total nonadmitted amounts .....	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12) .....	453,711,449	459,481,042

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	536,993,824	633,296,475
2. Cost of bonds and stocks acquired .....	529,840,089	710,915,816
3. Accrual of discount .....	108,873	209,138
4. Unrealized valuation increase (decrease) .....	(9,606,327)	1,088,539
5. Total gain (loss) on disposals .....	13,179,875	9,086,226
6. Deduct consideration for bonds and stocks disposed of .....	436,929,149	813,533,221
7. Deduct amortization of premium .....	1,659,980	4,069,149
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	631,927,205	536,993,824
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11) .....	631,927,205	536,993,824

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	531,701,092	261,997,699	258,114,483	(1,366,754)	531,701,092	534,217,554	0	385,222,346
2. NAIC 2 (a) .....	100,677,773	16,751,625	9,244,392	511,909	100,677,773	108,696,915	0	108,764,080
3. NAIC 3 (a) .....	868,488	0	1,219	(144)	868,488	867,125	0	1,241,159
4. NAIC 4 (a) .....	1,149,048	0	0	(3,030)	1,149,048	1,146,018	0	3,299,829
5. NAIC 5 (a) .....	873,718	0	0	(8,405)	873,718	865,313	0	872,813
6. NAIC 6 (a) .....	795,132	0	0	(2,365)	795,132	792,767	0	797,478
7. Total Bonds	636,065,251	278,749,324	267,360,094	(868,789)	636,065,251	646,585,692	0	500,197,705
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	0	0	0	0	0	0	0	0
9. NAIC 2 .....	0	0	0	0	0	0	0	0
10. NAIC 3 .....	0	0	0	0	0	0	0	0
11. NAIC 4 .....	0	0	0	0	0	0	0	0
12. NAIC 5 .....	0	0	0	0	0	0	0	0
13. NAIC 6 .....	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	636,065,251	278,749,324	267,360,094	(868,789)	636,065,251	646,585,692	0	500,197,705

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....0 ; NAIC 2 \$ .....0 ; NAIC 3 \$ .....0 ; NAIC 4 \$ .....0 ; NAIC 5 \$ .....0 ; NAIC 6 \$ .....0

**SCHEDULE DA - PART 1**

## Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	111,529,473	xxx	111,529,473	41,858	0

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	100,548,545	112,175,883
2. Cost of short-term investments acquired .....	144,301,137	293,300,901
3. Accrual of discount .....	0	0
4. Unrealized valuation increase (decrease) .....	0	(5,459)
5. Total gain (loss) on disposals .....	0	28,131
6. Deduct consideration received on disposals .....	133,320,209	304,881,378
7. Deduct amortization of premium .....	0	69,533
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	111,529,473	100,548,545
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	111,529,473	100,548,545

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards  
**N O N E**

Schedule DB - Part B - Verification - Futures Contracts  
**N O N E**

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open  
**N O N E**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open  
**N O N E**

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of  
Derivatives  
**N O N E**

Schedule E - Verification - Cash Equivalents  
**N O N E**

Schedule A - Part 2 - Real Estate Acquired and Additions Made  
**N O N E**

Schedule A - Part 3 - Real Estate Disposed  
**N O N E**

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made  
**N O N E**

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid  
**N O N E**

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made  
**N O N E**

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid  
**N O N E**

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
361790-3K-5	GNMA PASS-THRU M SINGLE FAMILY		.04/24/2015	BNP PARIBAS SECURITIES BOND		194,141	181,520	.383	1
361790-6P-1	GNMA PASS-THRU M SINGLE FAMILY		.04/09/2015	VARIOUS		258,381	244,449	.499	1
36179R-B2-4	GNMA PASS-THRU M SINGLE FAMILY		.06/10/2015	TAHOE FIXED INCOME LLC		336,296	307,120	.725	1
36179R-BW-8	GNMA PASS-THRU M SINGLE FAMILY		.04/16/2015	CREDIT SUISSE FIRST BOSTON CORP		1,931,102	1,865,799	2,954	1
36179R-BX-6	GNMA PASS-THRU M SINGLE FAMILY		.05/21/2015	RBC CAPITAL MARKETS CORP		1,363,118	1,302,375	2,153	1
36179R-EA-3	GNMA PASS-THRU M SINGLE FAMILY		.06/10/2015	TAHOE FIXED INCOME LLC		523,143	476,668	1,125	1
38378X-GF-2	GNMA REMIC TRUST 2014-109		.04/10/2015	RAYMOND JAMES & ASSOCIATES, INC		4,452,257	4,370,313	3,951	1
38378X-P4-7	GNMA REMIC TRUST 2014-166		.04/10/2015	RAYMOND JAMES & ASSOCIATES, INC		5,895,685	5,736,149	5,577	1
912810-FT-0	UNITED STATES TREAS BDS		.05/11/2015	BNP PARIBAS SECURITIES BOND		251,032	195,000	2,085	1
912810-PX-0	UNITED STATES TREAS BDS		.05/29/2015	GOLDMAN, SACHS & CO.		848,967	655,000	1,362	1
912810-RJ-9	UNITED STATES TREAS BDS		.06/15/2015	CFG CAPITAL MARKETS LLC		11,790,000	12,000,000	37,174	1
912810-RK-6	UNITED STATES TREAS BDS		.05/27/2015	VARIOUS		23,568,010	25,620,000	155,248	1
912810-RM-2	UNITED STATES TREAS BDS		.06/26/2015	VARIOUS		58,132,245	59,245,000	135,175	1
912828-G3-8	UNITED STATES TREAS NTS		.06/10/2015	GOLDMAN, SACHS & CO.		313,813	320,000	528	1
912828-J2-7	UNITED STATES TREAS NTS		.05/19/2015	VARIOUS		3,262,254	3,255,000	10,938	1
912828-J8-4	UNITED STATES TREAS NTS		.04/13/2015	CFG CAPITAL MARKETS LLC		2,998,359	3,000,000	1,578	1
912828-J9-2	UNITED STATES TREAS NTS		.04/13/2015	CFG CAPITAL MARKETS LLC		999,219	1,000,000	191	1
912828-K5-8	UNITED STATES TREAS NTS		.05/05/2015	CFG CAPITAL MARKETS LLC		1,985,938	2,000,000	448	1
912828-RJ-1	UNITED STATES TREAS NTS		.04/30/2015	MORGAN STANLEY & CO. INC		383,162	380,000	322	1
912828-XA-3	UNITED STATES TREAS NTS		.06/10/2015	CFG CAPITAL MARKETS LLC		12,958,359	13,000,000	9,538	1
912828-XB-1	UNITED STATES TREAS NTS		.06/11/2015	CFG CAPITAL MARKETS LLC		972,148	1,000,000	1,617	1
912828-XE-5	UNITED STATES TREAS NTS		.06/10/2015	CFG CAPITAL MARKETS LLC		12,823,281	13,000,000	5,861	1
<b>0599999. Subtotal - Bonds - U.S. Governments</b>						<b>146,240,910</b>	<b>149,154,393</b>	<b>379,432</b>	<b>XXX</b>
167725-AC-4	CHICAGO ILL TRAN AUTH SALES &		.05/29/2015	CITIGROUP GLOBAL MARKET INC.		266,965	225,000	.86	1FE
3138EP-QL-1	FNMA PASS-THRU INT 15 YEAR		.05/06/2015	LINSCO/PRIVATE LEDGER CORP. RE		2,742,315	2,548,768	2,832	1
3138WE-KS-7	FNMA PASS-THRU LNG 30 YEAR		.04/01/2015	WACHOVIA SECURITIES CAPITAL		320,944	304,213	384	1
3138YE-NY-9	FNMA PASS-THRU LNG 30 YEAR		.04/16/2015	WACHOVIA SECURITIES CAPITAL		1,922,760	1,826,580	2,131	1
3138YE-QN-0	FNMA PASS-THRU LNG 30 YEAR		.04/09/2015	WACHOVIA SECURITIES CAPITAL		389,888	370,000	468	1
31418M-Z2-4	FNMA PASS-THRU MEGA MULT 7		.04/09/2015	CFG CAPITAL MARKETS LLC		6,461,268	5,756,140	9,738	1
3138EP-SD-7	FNMA PL #AL6815 5.000% 4/01/45		.04/28/2015	BARCLAYS CAPITAL		669,598	600,705	2,420	1
31393D-KM-2	FNMA REMIC TRUST 2003-64		.05/26/2015	AK CAPITAL LLC		4,256,272	3,697,087	14,378	1
3136AE-NT-0	FNMA REMIC TRUST 2013-63		.06/25/2015	PRINCIPAL ACCRETION		8,692	8,692	.0	1
<b>3199999. Subtotal - Bonds - U.S. Special Revenues</b>						<b>17,038,702</b>	<b>15,337,185</b>	<b>32,437</b>	<b>XXX</b>
90131H-AP-0	21ST GENTY FOX AMER INC		.04/06/2015	EXCHANGE		256,489	225,000	.0	2FE
90131H-BF-1	21ST GENTY FOX AMER INC		.04/06/2015	EXCHANGE		767,795	725,000	.0	2FE
90131H-BK-0	21ST GENTY FOX AMER INC		.04/06/2015	EXCHANGE		1,075,807	900,000	.0	2FE
90131H-BL-8	21ST GENTY FOX AMER INC		.04/06/2015	EXCHANGE		201,795	175,000	.0	2FE
002824-BB-5	ABBOTT LABS		.06/11/2015	MERRILL LYNCH PROFESSNL CLEAR		1,927,400	2,000,000	15,733	1FE
00287Y-AR-0	ABBVIE INC		.05/05/2015	MORGAN STANLEY & CO. INC		541,234	545,000	.0	2FE
001306-AB-5	AHS HOSP CORP		.04/30/2015	GOLDMAN, SACHS & CO.		230,000	230,000	.0	1FE
031162-BY-5	AMGEN INC		.06/11/2015	RBC CAPITAL MARKETS CORP		951,840	1,000,000	3,906	2FE
00206R-CG-5	AT&T INC		.04/13/2015	LINSCO/PRIVATE LEDGER CORP. RE		2,600,000	2,500,000	40,333	1FE
00206R-CM-2	AT&T INC		.04/23/2015	CHASE SECURITIES, INC.		499,850	500,000	.0	2FE
00206R-CN-0	AT&T INC		.06/11/2015	LINSCO/PRIVATE LEDGER CORP. RE		2,372,500	2,500,000	9,917	2FE
072863-AC-7	BAYLOR SCOTT & WHITE HLDGS		.04/15/2015	CHASE SECURITIES, INC.		275,000	275,000	.0	1FE
075887-BM-0	BECTON DICKINSON & CO		.04/27/2015	EXCHANGE		1,000,276	1,000,000	.0	2FE
13975D-AC-9	CAPITAL AUTO RECV ABN 2013-3		.04/09/2015	CFG CAPITAL MARKETS LLC		10,860,750	10,800,000	9,432	1FE
12634M-AB-6	CNOOC LIMITED		.04/28/2015	SALOMON SMITH BARNEY INC/SAL		198,150	200,000	.0	1FE
12593F-BD-5	COMM MTG TR 2015-LC21		.06/12/2015	DEUTSCHE BANK SECURITIES INC		448,029	435,000	.762	1FE
209111-FE-8	CONSOLIDATED EDISON CO N Y INC		.06/24/2015	MERRILL LYNCH PROFESSNL CLEAR		502,405	500,000	1,283	1FE
22160K-AH-8	COSTCO WHSL CORP NEW		.04/13/2015	MERRILL LYNCH PROFESSNL CLEAR		1,996,700	2,000,000	7,375	1FE
12626P-AN-3	CRH AMER INC 144A		.06/16/2015	BANC AMERICA SECURITIES LLC		1,211,910	1,225,000	1,214	2FE
25466A-AD-3	DISCOVER BK		.06/24/2015	PERSHING LLC		309,072	305,000	5,017	2FE
257469-AJ-5	DOMINION RES INC		.04/23/2015	MERRILL LYNCH PROFESSNL CLEAR		1,141,450	1,000,000	12,688	2FE
28336U-AE-7	ENLINK MIDSTREAM PARTNERS LP		.05/07/2015	BANC AMERICA SECURITIES LLC		269,533	270,000	.0	2FE
29736R-AG-5	ESTEE LAUDER COS INC		.06/01/2015	SALOMON SMITH BARNEY INC/SAL		391,996	400,000	.0	1FE
30161N-AK-7	EXELON CORP		.06/08/2015	GOLDMAN, SACHS & CO.		149,583	150,000	.0	2FE
30231G-AG-7	EXXON MOBIL CORP		.05/05/2015	MERRILL LYNCH PROFESSNL CLEAR		3,009,750	3,000,000	9,879	1FE
437076-BC-5	HOME DEPOT INC		.06/11/2015	CFG CAPITAL MARKETS LLC		2,088,480	2,000,000	25,208	1FE
460146-CM-3	INTL PAPER CO		.05/14/2015	BANC AMERICA SECURITIES LLC		287,938	290,000	.0	2FE
46641C-BP-5	JP MORGAN MTG TR 2014-144A		.06/11/2015	RAYMOND JAMES & ASSOCIATES, INC		1,437,483	1,459,373	2,297	1FM
524901-AT-2	LEGG MASON INC		.05/14/2015	LINSCO/PRIVATE LEDGER CORP. RE		1,023,000	1,000,000	13,606	2FE

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STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
592176-BP-3	METROPOLITAN LIFE GLOBAL FDG 144A		.04/13/2015	MIZUHO SECURITIES USA INC		3,988,680	4,000,000	.444	1FE
594918-AX-2	MICROSOFT CORP		.04/13/2015	MIZUHO SECURITIES USA INC		3,007,125	2,500,000	40,964	1FE
594918-BB-9	MICROSOFT CORP		.06/11/2015	CFG CAPITAL MARKETS LLC		2,403,575	2,500,000	23,250	1FE
61166W-AW-1	MONSANTO CO NEW		.04/13/2015	MERRILL LYNCH PROFESSIONL CLEAR		1,991,360	2,000,000	.950	1FE
08M16C-40-5	NESTLE HLDGS INC 2.125%		.04/21/2015	M LYNCH,PIERCE,FENNER, & SMITH		1,648,221	1,615,000	9,438	1FE
68389X-AP-0	ORACLE CORP		.06/16/2015	MERRILL LYNCH PROFESSIONL CLEAR		2,415,750	2,500,000	11,111	1FE
68389X-BE-4	ORACLE CORP		.05/06/2015	LINSCO/PRIVATE LEDGER CORP. RE		2,424,000	2,500,000	1,625	1FE
74251V-AK-8	PRINCIPAL FINL GROUP INC		.05/04/2015	BANC AMERICA SECURITIES LLC		319,002	320,000	.0	2FE
74834L-AW-0	QUEST DIAGNOSTICS INC		.04/13/2015	MERRILL LYNCH PROFESSIONL CLEAR		2,011,600	2,000,000	5,000	2FE
758940-AB-6	REGIONS FINL CORP		.05/15/2015	RAYMOND JAMES & ASSOCIATES, INC		627,360	500,000	6,997	2FE
81745M-AD-3	SEQUOIA MITG TR 2013-2		.04/10/2015	RAYMOND JAMES & ASSOCIATES, INC		3,206,907	3,167,316	5,155	1FM
832696-AG-3	SMUCKER J M CO 144A		.04/10/2015	RAYMOND JAMES & ASSOCIATES, INC		508,800	500,000	1,042	2FE
87165L-AK-7	SYNCHRONY CC MSTR NT TR 2015-2		.05/05/2015	RBC CAPITAL MARKETS CORP		249,953	250,000	.0	1FE
38148L-AC-0	THE GOLDMAN SACHS GROUP INC		.04/13/2015	LINSCO/PRIVATE LEDGER CORP. RE		2,552,500	2,500,000	20,174	1FE
38148L-AF-3	THE GOLDMAN SACHS GROUP INC		.05/19/2015	GOLDMAN, SACHS & CO.		253,343	255,000	.0	2FE
92343V-CK-8	VERIZON COMMUNICATIONS INC		.06/15/2015	JP MORGAN SECURITIES INC		258,577	275,000	4,345	2FE
94973V-BB-2	WELLPOINT INC		.06/24/2015	MORGAN STANLEY & CO. INC		55,438	55,000	1,165	2FE
98978V-AH-6	ZOETIS INC		.06/18/2015	STIFEL, NICOLAUS & CO., INC		164,019	175,000	3,244	2FE
00185A-AH-7	AON PLC	R	.05/13/2015	MORGAN STANLEY & CO. INC		498,415	500,000	.0	2FE
21987B-AR-9	CORPORACION NACIONAL DEL COBR 144A	R	.05/07/2015	VARIOUS		591,009	625,000	8,217	1FE
767201-AS-5	RIO TINTO FIN USA LTD	R	.06/11/2015	DEUTSCHE BANK SECURITIES INC		297,999	300,000	.0	1FE
85325A-AW-0	STANDARD CHARTERED PLC 144A	R	.04/13/2015	MERRILL LYNCH,PIERCE,FENNER&SM		324,665	325,000	.0	1FE
8399999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						67,819,513	66,971,689	301,771	XXX
8399997. Total - Bonds - Part 3						231,099,125	231,463,267	713,640	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						231,099,125	231,463,267	713,640	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
921943-88-2	VANGUARD DEVELOPED MKTS INDEX INST		.06/26/2015	VANGUARD GROUP	23,198,884	305,761	.0	.0	L
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		.06/22/2015	VANGUARD GROUP	538,326	103,719	.0	.0	L
9299999. Subtotal - Common Stocks - Mutual Funds						409,480	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						409,480	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						409,480	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						409,480	XXX	0	XXX
9999999 - Totals						231,508,605	XXX	713,640	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
36202F-M7-8	GNMA 11 POOL #004882 4.000%		06/20/2015	PRINCIPAL RECEIPT		12,280	12,280	13,351	13,331	.0	(1,051)	.0	(1,051)	.0	12,280	.0	.0	.0	189	12/20/2040	1
36179M-2N-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		14,328	14,328	13,260	13,274	.0	1,054	.0	1,054	.0	14,328	.0	.0	.0	138	02/20/2043	1
36179M-K6-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		14,467	14,467	15,219	15,200	.0	(732)	.0	(732)	.0	14,467	.0	.0	.0	169	08/20/2042	1
36179M-K7-4	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		7,482	7,482	7,744	7,743	.0	(261)	.0	(261)	.0	7,482	.0	.0	.0	102	08/20/2042	1
36179M-NH-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		8,825	8,825	9,623	9,606	.0	(781)	.0	(781)	.0	8,825	.0	.0	.0	120	09/20/2042	1
36179M-VR-8	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		14,928	14,928	15,710	15,694	.0	(766)	.0	(766)	.0	14,928	.0	.0	.0	174	12/20/2042	1
36179M-X2-1	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		23,649	23,649	22,072	22,083	.0	1,566	.0	1,566	.0	23,649	.0	.0	.0	228	01/20/2043	1
36179N-DQ-8	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		32,356	32,356	32,568	32,566	.0	(210)	.0	(210)	.0	32,356	.0	.0	.0	378	05/20/2043	1
36179N-DR-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		33,548	33,548	34,889	34,875	.0	(1,327)	.0	(1,327)	.0	33,548	.0	.0	.0	454	05/20/2043	1
36179Q-3J-8	GNMA PASS-THRU M SINGLE FAMILY		04/20/2015	VARIOUS		1,236,553	1,167,451	1,222,266	.0	.0	.0	(393)	.0	1,221,873	.0	14,680	14,680	5,778	02/20/2045	1	
36179Q-3K-5	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		2,641	2,641	2,825	.0	.0	.0	(184)	.0	2,641	.0	.0	.0	.0	02/20/2045	1	
36179Q-6P-1	GNMA PASS-THRU M SINGLE FAMILY		04/16/2015	BARCLAYS CAPITAL INC		259,231	244,449	258,381	.0	.0	.0	(15)	.0	258,366	.0	865	865	499	03/20/2045	1	
36179Q-PF-2	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		6,865	6,865	7,049	7,060	.0	(196)	.0	(196)	.0	6,865	.0	.0	.0	79	09/20/2044	1
36179Q-T4-3	GNMA PASS-THRU M SINGLE FAMILY		06/30/2015	VARIOUS		1,868,177	1,784,660	1,873,683	1,873,659	.0	(5,844)	.0	(5,844)	.0	1,867,815	.0	362	362	31,481	11/20/2044	1
36179Q-WD-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		16,731	16,731	17,150	17,150	.0	(419)	.0	(419)	.0	16,731	.0	.0	.0	197	12/20/2044	1
36179Q-WF-4	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	VARIOUS		221,821	209,460	223,729	.0	.0	.0	(2,089)	.0	221,641	.0	181	181	1,874	12/20/2044	1	
36179R-BW-8	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		5,529	5,529	5,723	.0	.0	.0	(194)	.0	5,529	.0	.0	.0	.0	04/20/2045	1	
36202F-CP-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		7,754	7,754	8,520	8,542	.0	(788)	.0	(788)	.0	7,754	.0	.0	.0	150	11/20/2039	1
36202F-EH-5	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		28,412	28,412	30,978	31,054	.0	(2,641)	.0	(2,641)	.0	28,412	.0	.0	.0	497	02/20/2045	1
36202F-GE-0	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		4,896	4,896	5,379	5,393	.0	(497)	.0	(497)	.0	4,896	.0	.0	.0	96	05/20/2040	1
36202F-GY-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		7,604	7,604	8,354	8,377	.0	(773)	.0	(773)	.0	7,604	.0	.0	.0	147	06/20/2040	1
36202F-KM-7	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		4,421	4,421	4,713	4,713	.0	(292)	.0	(292)	.0	4,421	.0	.0	.0	69	09/20/2040	1
36202F-LQ-7	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		5,850	5,850	6,428	6,444	.0	(594)	.0	(594)	.0	5,850	.0	.0	.0	115	10/20/2040	1
36202F-MA-1	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		41,936	41,936	45,558	45,506	.0	(3,570)	.0	(3,570)	.0	41,936	.0	.0	.0	649	11/20/2040	1
36202F-TK-2	GNMA PASS-THRU M SINGLE FAMILY		06/20/2015	PRINCIPAL RECEIPT		11,192	11,192	11,937	11,938	.0	(746)	.0	(746)	.0	11,192	.0	.0	.0	172	05/20/2041	1
36241L-DM-5	GNMA PASS-THRU X PLATINUM 30YR		06/15/2015	PRINCIPAL RECEIPT		34,197	34,197	37,242	37,201	.0	(3,004)	.0	(3,004)	.0	34,197	.0	.0	.0	796	11/15/2039	1
36241L-LU-4	GNMA PASS-THRU X PLATINUM 30YR		06/15/2015	PRINCIPAL RECEIPT		8,089	8,089	8,768	8,771	.0	(681)	.0	(681)	.0	8,089	.0	.0	.0	152	07/15/2040	1
36176X-KP-3	GNMA PASS-THRU X SINGLE FAMILY		06/15/2015	PRINCIPAL RECEIPT		38,259	38,259	40,370	40,317	.0	(2,058)	.0	(2,058)	.0	38,259	.0	.0	.0	559	04/15/2042	1
36200C-2Y-3	GNMA PASS-THRU X SINGLE FAMILY		06/15/2015	PRINCIPAL RECEIPT		78,018	78,018	85,747	85,675	.0	(7,657)	.0	(7,657)	.0	78,018	.0	.0	.0	1,403	07/15/2040	1
36200C-ZB-7	GNMA PASS-THRU X SINGLE FAMILY		06/15/2015	VARIOUS		970,952	900,969	990,221	989,382	.0	(11,651)	.0	(11,651)	.0	977,731	.0	(6,779)	(6,779)	21,699	06/15/2040	1
36225A-4V-9	GNMA POOL #780836		06/15/2015	PRINCIPAL RECEIPT		2,588	2,588	2,749	2,656	.0	(68)	.0	(68)	.0	2,588	.0	.0	.0	99	04/15/2040	1
38376P-TE-0	GNMA REMIC TRUST 2009-125		06/20/2015	PRINCIPAL RECEIPT		1,578,891	1,578,891	1,645,007	.0	.0	.0	(66,116)	.0	1,578,891	.0	.0	.0	9,695	10/20/2032	1	
38378K-ZD-4	GNMA REMIC TRUST 2013-101		06/16/2015	PRINCIPAL RECEIPT		59,837	59,837	59,412	59,418	.0	.0	.0	419	.0	59,837	.0	.0	.0	541	12/16/2053	1
38378K-J6-7	GNMA REMIC TRUST 2013-126		06/16/2015	PRINCIPAL RECEIPT		101,723	101,723	105,089	104,853	.0	(3,130)	.0	(3,130)	.0	101,723	.0	.0	.0	1,572	10/16/2047	1
38378K-4S-5	GNMA REMIC TRUST 2013-141		06/16/2015	PRINCIPAL RECEIPT		104,809	104,809	109,448	109,357	.0	(4,548)	.0	(4,548)	.0	104,809	.0	.0	.0	1,648	02/16/2052	1
38378K-6D-6	GNMA REMIC TRUST 2013-154		06/16/2015	PRINCIPAL RECEIPT		37,377	37,377	37,645	.0	.0	.0	(269)	.0	37,377	.0	.0	.0	162	02/16/2044	1	
38378K-SZ-3	GNMA REMIC TRUST 2013-94		06/16/2015	PRINCIPAL RECEIPT		10,932	10,932	10,753	10,755	.0	177	.0	177	.0	10,932	.0	.0	.0	94	03/16/2054	1
38378X-GF-2	GNMA REMIC TRUST 2014-109		06/16/2015	PRINCIPAL RECEIPT		456,624	456,624	465,186	.0	.0	.0	(8,562)	.0	456,624	.0	.0	.0	1,449	01/16/2046	1	
38378X-P4-7	GNMA REMIC TRUST 2014-166		06/16/2015	PRINCIPAL RECEIPT		115,789	115,789	119,010	.0	.0	.0	(3,220)	.0	115,789	.0	.0	.0	64	07/16/2051	1	
38378N-CE-1	GNMA REMIC TUST 2013-155		06/16/2015	PRINCIPAL RECEIPT		22,939	22,939	23,297	.0	.0	.0	(358)	.0	22,939	.0	.0	.0	148	09/16/2053	1	
83162C-LX-9	SMALL BUS ADMIN GTD DEV PTC		06/01/2015	MERRILL LYNCH, PIERCE, FENNER&SM		35,004	35,004	36,205	35,004	.0	.0	.0	.0	35,004	.0	.0	.0	.0	1,012	12/01/2021	1
83162C-QG-1	SMALL BUS ADMIN GTD DEV PTC		05/01/2015	CALLED @ 100.000000		59,671	59,671	62,095	60,682	.0	(17)	.0	(17)	.0	60,665	.0	(994)	(994)	1,815	05/01/2026	1
83162C-QH-9	SMALL BUS ADMIN GTD DEV PTC		06/01/2015	MERRILL LYNCH, PIERCE, FENNER&SM		24,745	24,745	24,745	24,745	.0	.0	.0	.0	24,745	.0	.0	.0	.0	742	06/01/2026	1
83162C-HM-8	SMALL BUSINESS ADMIN GTD 97-20E		05/01/2015	PRINCIPAL RECEIPT		1,107	1,107	1,107	1,107	.0	.0	.0	.0	1,107	.0	.0	.0	.0	40	05/01/2017	1
83162C-JF-1	SMALL BUSINESS ADMIN GTD 98-20E		05/01/2015	PRINCIPAL RECEIPT		25,413	25,413	25,536	25,536	.0	(123)	.0	(123)	.0	25,413	.0	.0	.0	801	05/01/2018	1
83162C-JR-5	SMALL BUSINESS ADMIN GTD 98-20L		06/01/2015	PRINCIPAL RECEIPT		4,834	4,834	4,834	4,834	.0	.0	.0	.0	4,834	.0	.0	.0	.0	140	12/01/2018	1
83162C-JX-2	SMALL BUSINESS ADMIN GTD 99-20D		04/01/2015	PRINCIPAL RECEIPT		4,724	4,724	4,724	4,724	.0	.0	.0	.0	4,724	.0	.0	.0	.0	145	04/01/2019	1
912810-QT-8	UNITED STATES TREAS BDS		05/26/2015	BANC AMERICA SECURITIES LLC		691,801	.670,000	674,194	674,365	.0	(44)	.0	(44)	.0	674,321	.0	17,480	17,480	11,151	11/15/2041	1
912810-QZ-4	UNITED STATES TREAS BDS		04/21/2015	CHASE SECURITIES, INC.		333,164	300,000	275,827	276,197	.0	150	.0	150	.0	276,347	.0	56,817	56,817	5,397	02/15/2043	1
912810-RJ-9	UNITED STATES TREAS BDS		06/15/2015	CFG CAPITAL MARKETS LLC		12,682,344	13,000,000	12,889,688	.0	.0	.0	(780)	.0	12,888,908	.0	(206,564)	(206,564)	54,457	11/15/2044	1	
912810-RK-6	UNITED STATES TREAS BDS		06/01/2015	VARIOUS		22,188,229	24,405,000	22,465,021	.0	.0	.0										

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
912828-H7-8	UNITED STATES TREAS NTS		06/11/2015	CFG CAPITAL MARKETS LLC		9,975,000	10,000,000	9,972,852	0	0	4,076	0	4,076	0	9,976,928	0	(1,928)	(1,928)	18,094	01/31/2017	1
912828-H9-4	UNITED STATES TREAS NTS		06/11/2015	CFG CAPITAL MARKETS LLC		2,497,559	2,500,000	2,495,801	0	0	435	0	435	0	2,496,236	0	1,323	1,323	8,011	02/15/2018	1
912828-RJ-1	UNITED STATES TREAS NTS		05/05/2015	MELLON BANK/MELLON FINL MKT		125,962	125,000	126,199	121,107	0	(216)	0	(216)	0	125,933	0	28	28	723	09/30/2016	1
912828-HU-0	UNITED STATES TREAS NTS TIPS		06/10/2015	DEUTSCHE BANK SECURITIES INC		306,115	320,000	311,460	310,703	979	421	0	1,400	0	312,103	0	(5,989)	(5,989)	361	07/15/2024	1
911760-RP-3	US VA VENDEE MTG TR 2002-1		06/15/2015	PRINCIPAL RECEIPT		77,506	77,506	92,232	91,533	0	(14,028)	0	(14,028)	0	77,506	0	0	0	1,959	08/15/2031	1
0599999	Subtotal - Bonds - U.S. Governments					107,014,304	109,825,759	107,432,014	5,263,130	979	(143,576)	0	(142,597)	0	107,284,187	0	(269,885)	(269,885)	447,521	XXX	XXX
3128LX-S7-6	FHLMC GOLD #602342		06/15/2015	PRINCIPAL RECEIPT		47,838	47,838	52,016	51,932	0	(4,094)	0	(4,094)	0	47,838	0	0	0	1,002	10/01/2036	1
3128M5-K5-8	FHLMC GOLD #603616		06/15/2015	PRINCIPAL RECEIPT		23,847	23,847	26,455	26,415	0	(2,568)	0	(2,568)	0	23,847	0	0	0	586	12/01/2037	1
3128MT-6K-9	FHLMC PC GOLD 10/20 11		06/15/2015	PRINCIPAL RECEIPT		20	20	22	22	0	(2)	0	(2)	0	20	0	0	0	1	09/01/2037	1
3128UN-CE-0	FHLMC PC GOLD 10/20 11		06/15/2015	PRINCIPAL RECEIPT		9,071	9,071	9,203	9,198	0	(127)	0	(127)	0	9,071	0	0	0	266	09/01/2037	1
3128PR-ZK-8	FHLMC PC GOLD 15 YR		06/15/2015	PRINCIPAL RECEIPT		179,644	179,644	188,570	187,368	0	(7,232)	0	(7,232)	0	179,644	0	0	0	3,086	07/01/2025	1
31288B-6V-0	FHLMC PC GOLD CASH 30		06/15/2015	PRINCIPAL RECEIPT		57,264	57,264	58,069	57,998	0	(735)	0	(735)	0	57,264	0	0	0	1,676	11/01/2032	1
31292H-GP-3	FHLMC PC GOLD CASH 30		06/15/2015	PRINCIPAL RECEIPT		81	81	82	82	0	(1)	0	(1)	0	81	0	0	0	2	12/01/2030	1
31292S-AG-5	FHLMC PC GOLD CASH 30		06/15/2015	PRINCIPAL RECEIPT		9,482	9,482	10,134	10,119	0	(637)	0	(637)	0	9,482	0	0	0	137	08/01/2042	1
3132L5-A2-9	FHLMC PC GOLD CI 30YR		06/15/2015	PRINCIPAL RECEIPT		3,865	3,865	4,015	4,015	0	(147)	0	(147)	0	3,865	0	0	0	48	04/01/2043	1
3128MC-4J-1	FHLMC PC GOLD COMB 15		06/15/2015	PRINCIPAL RECEIPT		23,044	23,044	24,522	24,399	0	(1,355)	0	(1,355)	0	23,044	0	0	0	389	08/01/2026	1
3128MC-GV-1	FHLMC PC GOLD COMB 15		06/15/2015	PRINCIPAL RECEIPT		8,819	8,819	9,598	9,499	0	(680)	0	(680)	0	8,819	0	0	0	201	02/01/2024	1
3128MC-0G-3	FHLMC PC GOLD COMB 15		06/15/2015	PRINCIPAL RECEIPT		17,697	17,697	19,008	18,869	0	(1,173)	0	(1,173)	0	17,697	0	0	0	337	06/01/2025	1
3128MD-4E-0	FHLMC PC GOLD COMB 15		06/15/2015	PRINCIPAL RECEIPT		12,109	12,109	12,285	12,281	0	(172)	0	(172)	0	12,109	0	0	0	128	07/01/2029	1
3128MD-JG-9	FHLMC PC GOLD COMB 15		06/15/2015	PRINCIPAL RECEIPT		140,039	140,039	151,811	150,163	0	(10,125)	0	(10,125)	0	140,039	0	0	0	2,950	07/01/2025	1
3128MD-M3-4	FHLMC PC GOLD COMB 15		06/15/2015	PRINCIPAL RECEIPT		38,251	38,251	40,534	40,327	0	(2,076)	0	(2,076)	0	38,251	0	0	0	631	12/01/2026	1
3128MD-MX-8	FHLMC PC GOLD COMB 15		06/15/2015	PRINCIPAL RECEIPT		126,112	126,112	134,901	133,327	0	(7,215)	0	(7,215)	0	126,112	0	0	0	2,912	12/01/2024	1
3128MM-AG-8	FHLMC PC GOLD COMB 15		06/15/2015	PRINCIPAL RECEIPT		25,720	25,720	27,661	26,923	0	(1,203)	0	(1,203)	0	25,720	0	0	0	608	08/01/2019	1
3128MM-0T-3	FHLMC PC GOLD COMB 15		06/15/2015	PRINCIPAL RECEIPT		5,644	5,644	5,771	5,774	0	(129)	0	(129)	0	5,644	0	0	0	60	05/01/2028	1
31283H-6C-4	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		30,658	30,658	31,247	31,200	0	(542)	0	(542)	0	30,658	0	0	0	831	12/01/2032	1
31283H-6D-2	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		23,080	23,080	23,594	23,538	0	(458)	0	(458)	0	23,080	0	0	0	644	12/01/2031	1
3128M5-0Y-9	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		79,750	79,750	88,257	88,347	0	(8,596)	0	(8,596)	0	79,750	0	0	0	2,363	01/01/2038	1
3128M6-EC-8	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		66,837	66,837	72,340	72,269	0	(5,432)	0	(5,432)	0	66,837	0	0	0	1,419	02/01/2037	1
3128M8-6L-3	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		59,067	59,067	64,974	64,895	0	(5,828)	0	(5,828)	0	59,067	0	0	0	1,373	12/01/2038	1
3128M8-CW-2	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		3,410	3,410	3,837	3,836	0	(425)	0	(425)	0	3,410	0	0	0	94	09/01/2038	1
3128M8-H5-6	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		1,784	1,784	1,855	1,854	0	(70)	0	(70)	0	1,784	0	0	0	30	02/01/2041	1
3128M8-H6-2	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		2,481	2,481	2,614	2,612	0	(131)	0	(131)	0	2,481	0	0	0	41	12/01/2040	1
3128M8-R3-0	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		6,685	6,685	7,195	7,185	0	(500)	0	(500)	0	6,685	0	0	0	104	12/01/2040	1
3128M8-Z7-2	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		35,920	35,920	39,172	39,176	0	(3,256)	0	(3,256)	0	35,920	0	0	0	746	09/01/2041	1
3128M9-D7-4	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		56,387	56,387	60,123	60,273	0	(3,886)	0	(3,886)	0	56,387	0	0	0	1,144	06/01/2042	1
3128M9-FP-2	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		140,326	140,326	155,236	155,218	0	(14,892)	0	(14,892)	0	140,326	0	0	0	3,206	01/01/2040	1
3128M9-LV-2	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		9,828	9,828	10,267	10,280	0	(452)	0	(452)	0	9,828	0	0	0	127	12/01/2042	1
3128MJ-04-5	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		17,781	17,781	18,803	18,793	0	(1,012)	0	(1,012)	0	17,781	0	0	0	291	01/01/2042	1
3128MJ-SY-7	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		8,641	8,641	8,365	8,368	0	274	0	274	0	8,641	0	0	0	110	06/01/2043	1
3128MJ-TR-1	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		60,369	60,369	64,397	64,574	0	(4,205)	0	(4,205)	0	60,369	0	0	0	1,144	11/01/2043	1
312931-C3-0	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		20,122	20,122	22,021	22,017	0	(1,894)	0	(1,894)	0	20,122	0	0	0	465	02/01/2039	1
312936-NA-1	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		44,209	44,209	47,172	47,159	0	(2,951)	0	(2,951)	0	44,209	0	0	0	808	10/01/2039	1
312941-SV-0	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		2,486	2,486	2,656	2,652	0	(166)	0	(166)	0	2,486	0	0	0	42	08/01/2040	1
312943-DQ-3	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		39,697	39,697	42,960	42,934	0	(3,237)	0	(3,237)	0	39,697	0	0	0	734	10/01/2040	1
312943-UJ-0	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		9,896	9,896	10,571	10,558	0	(662)	0	(662)	0	9,896	0	0	0	167	11/01/2040	1
312944-FE-6	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		4,696	4,696	4,969	4,966	0	(270)	0	(270)	0	4,696	0	0	0	74	12/01/2040	1
312945-DS-4	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		1,365	1,365	1,438	1,437	0	(72)	0	(72)	0	1,365	0	0	0	23	01/01/2041	1
312945-XY-9	FHLMC PC GOLD COMB 30		06/15/2015	PRINCIPAL RECEIPT		12,604	12,604	13,303	13,296	0	(693)	0	(693)	0	12,604	0	0	0	215	02/01/2041	1
3132K-2F-2	FHLMC PC GOLD PC 30YR		06/15/2015	PRINCIPAL RECEIPT		5,840	5,840	6,246	6,240	0	(400)	0	(400)	0	5,840	0	0	0	99	12/01/2041	1
3132M-K9-1	FHLMC PC GOLD PC 30YR		06/15/2015	PRINCIPAL RECEIPT		31,451	31,451	33,494	33,458	0	(2,007)	0	(2,007)	0	31,451	0	0	0	458	09/01/2042	1
3132H-4K-5	FHLMC PC GOLD PC 30YR		06/15/2015	PRINCIPAL RECEIPT		12,113	12,1														

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31397C-K5-7	FHLNC REMIC SERIES 3243		06/15/2015	PRINCIPAL RECEIPT		26,401	26,401	28,282	28,016	.0	(1,615)	.0	(1,615)	.0	26,401	.0	.0	.0	605	11/15/2036	1
3137AY-0D-1	FHLNC REMIC SERIES K-025		06/25/2015	PRINCIPAL RECEIPT		1,985	1,985	2,024	2,015	.0	(31)	.0	(31)	.0	1,985	.0	.0	.0	13	04/25/2022	1
31392M-EM-0	FHLNC REMIC SERIES T0041		06/25/2015	PRINCIPAL RECEIPT		4,763	4,763	4,948	4,758	.0	5	.0	5	.0	4,763	.0	.0	.0	83	07/25/2032	1
31359S-R6-9	FNMA GRANTOR TRUST 2001-T4		06/25/2015	PRINCIPAL RECEIPT		5,820	5,820	6,004	5,840	.0	(20)	.0	(20)	.0	5,820	.0	.0	.0	159	07/25/2028	1
31392F-DC-8	FNMA GRANTOR TRUST 2002-T16		06/25/2015	PRINCIPAL RECEIPT		17,155	17,155	17,584	17,465	.0	(310)	.0	(310)	.0	17,155	.0	.0	.0	434	07/25/2042	1
31381D-YY-5	FNMA PASS-THRU GNM-BK MGA 30		06/25/2015	PRINCIPAL RECEIPT		1,946	1,946	1,971	1,959	.0	(14)	.0	(14)	.0	1,946	.0	.0	.0	47	05/20/2023	1
31405F-D5-8	FNMA PASS-THRU GOV SINGLE FAM		06/25/2015	PRINCIPAL RECEIPT		643	643	677	674	.0	(31)	.0	(31)	.0	643	.0	.0	.0	16	10/01/2032	1
3138A7-G6-9	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		8,172	8,172	8,560	8,511	.0	(339)	.0	(339)	.0	8,172	.0	.0	.0	113	02/01/2026	1
3138AF-KH-2	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		6,058	6,058	6,473	6,440	.0	(382)	.0	(382)	.0	6,058	.0	.0	.0	87	05/01/2026	1
3138EG-RS-5	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		2,066	2,066	2,210	2,203	.0	(137)	.0	(137)	.0	2,066	.0	.0	.0	33	08/01/2024	1
3138EJ-E3-8	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		2,518	2,518	2,699	2,691	.0	(173)	.0	(173)	.0	2,518	.0	.0	.0	41	01/01/2027	1
3138EJ-KA-5	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		17,104	17,104	18,277	18,204	.0	(1,100)	.0	(1,100)	.0	17,104	.0	.0	.0	243	09/01/2026	1
3138EJ-HY-0	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		23,854	23,854	23,925	23,966	.0	(111)	.0	(111)	.0	23,854	.0	.0	.0	217	10/01/2027	1
3138EP-0L-1	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		52,674	52,674	56,674	56,674	.0	(4,000)	.0	(4,000)	.0	52,674	.0	.0	.0	176	02/01/2029	1
3138LY-2K-2	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		18,334	18,334	19,343	19,278	.0	(943)	.0	(943)	.0	18,334	.0	.0	.0	194	06/01/2027	1
3138MD-2T-8	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		20,948	20,948	21,886	21,824	.0	(876)	.0	(876)	.0	20,948	.0	.0	.0	193	10/01/2027	1
3138WP-JE-5	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		3,844	3,844	4,030	4,024	.0	(180)	.0	(180)	.0	3,844	.0	.0	.0	35	04/01/2028	1
3138Y6-3C-6	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		696,791	696,791	746,002	746,002	.0	(49,211)	.0	(49,211)	.0	696,791	.0	.0	.0	2,607	01/01/2027	1
31402D-FV-7	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		23,287	23,287	24,479	23,547	.0	(260)	.0	(260)	.0	23,287	.0	.0	.0	604	07/01/2017	1
31403D-DK-2	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		42,810	42,810	43,586	43,205	.0	(395)	.0	(395)	.0	42,810	.0	.0	.0	946	03/01/2021	1
31410L-EC-2	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		18,697	18,697	20,281	19,972	.0	(1,275)	.0	(1,275)	.0	18,697	.0	.0	.0	361	07/01/2024	1
31411A-JN-6	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		47,634	47,634	48,393	48,126	.0	(492)	.0	(492)	.0	47,634	.0	.0	.0	1,115	11/01/2021	1
31412D-EQ-8	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		4,140	4,140	4,454	4,440	.0	(300)	.0	(300)	.0	4,140	.0	.0	.0	63	08/01/2024	1
31416B-0D-3	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		41,314	41,314	44,884	43,651	.0	(2,337)	.0	(2,337)	.0	41,314	.0	.0	.0	825	01/01/2024	1
31416Y-U3-0	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		10,859	10,859	11,647	11,588	.0	(728)	.0	(728)	.0	10,859	.0	.0	.0	171	07/01/2026	1
31417C-7C-3	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		23,826	23,826	25,200	25,102	.0	(1,276)	.0	(1,276)	.0	23,826	.0	.0	.0	251	09/01/2026	1
31417D-CC-5	FNMA PASS-THRU INT 15 YEAR		06/25/2015	PRINCIPAL RECEIPT		11,483	11,483	12,023	11,992	.0	(509)	.0	(509)	.0	11,483	.0	.0	.0	109	10/01/2027	1
31416W-SZ-1	FNMA PASS-THRU INT 20 YEAR		06/25/2015	PRINCIPAL RECEIPT		42,139	42,139	44,878	44,853	.0	(2,714)	.0	(2,714)	.0	42,139	.0	.0	.0	610	11/01/2030	1
31368H-LZ-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		62,413	62,413	65,923	65,804	.0	(3,391)	.0	(3,391)	.0	62,413	.0	.0	.0	1,381	12/01/2033	1
31371K-T9-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		6,154	6,154	6,173	6,168	.0	(14)	.0	(14)	.0	6,154	.0	.0	.0	110	09/01/2032	1
31371N-H4-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		9,061	9,061	9,495	9,481	.0	(420)	.0	(420)	.0	9,061	.0	.0	.0	239	08/01/2037	1
3138A2-BX-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		15,049	15,049	16,187	16,184	.0	(1,135)	.0	(1,135)	.0	15,049	.0	.0	.0	247	12/01/2040	1
3138E2-LR-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		22,036	22,036	23,369	23,435	.0	(1,398)	.0	(1,398)	.0	22,036	.0	.0	.0	310	01/01/2042	1
3138EH-BD-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		19,637	19,637	20,800	20,792	.0	(1,155)	.0	(1,155)	.0	19,637	.0	.0	.0	272	05/01/2041	1
3138EH-JU-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		18,753	18,753	21,168	21,181	.0	(2,428)	.0	(2,428)	.0	18,753	.0	.0	.0	435	10/01/2039	1
3138EH-YF-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		11,196	11,196	12,347	12,375	.0	(1,178)	.0	(1,178)	.0	11,196	.0	.0	.0	201	01/01/2042	1
3138EJ-EY-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		5,395	5,395	5,683	5,695	.0	(300)	.0	(300)	.0	5,395	.0	.0	.0	73	06/01/2042	1
3138EK-F5-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		9,450	9,450	10,197	10,188	.0	(738)	.0	(738)	.0	9,450	.0	.0	.0	151	12/01/2041	1
3138EL-X7-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		8,907	8,907	9,561	9,583	.0	(677)	.0	(677)	.0	8,907	.0	.0	.0	137	04/01/2042	1
3138EN-BJ-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		32,962	32,962	35,852	35,858	.0	(2,896)	.0	(2,896)	.0	32,962	.0	.0	.0	543	02/01/2041	1
3138MA-KX-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		4,754	4,754	4,849	4,863	.0	(108)	.0	(108)	.0	4,754	.0	.0	.0	60	09/01/2042	1
3138MQ-TK-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		134	134	124	124	.0	10	.0	10	.0	134	.0	.0	.0	1	12/01/2042	1
3138MR-K6-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		1,221	1,221	1,133	1,134	.0	87	.0	87	.0	1,221	.0	.0	.0	10	01/01/2043	1
3138MR-LL-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		42,593	42,593	44,986	44,970	.0	(2,377)	.0	(2,377)	.0	42,593	.0	.0	.0	543	01/01/2043	1
3138NX-KJ-5	FNMA PASS-THRU LNG 30 YEAR		05/25/2015	VARIOUS		264,686	264,686	249,746	249,790	.0	185	.0	185	.0	249,975	.0	14,711	14,711	3,471	01/01/2043	1
3138NY-4L-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		1,729	1,729	1,604	1,606	.0	123	.0	123	.0	1,729	.0	.0	.0	16	02/01/2043	1
3138W9-2G-4	FNMA PASS-THRU LNG 30 YEAR		05/25/2015	VARIOUS		305,985	305,985	286,947	287,019	.0	212	.0	212	.0	287,230	.0	18,755	18,755	4,017	10/01/2043	1
3138WD-H9-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		487	487	506	507	.0	(21)	.0	(21)	.0	487	.0	.0	.0	6	11/01/2044	1
3138WE-KS-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		2,205	2,205	2,327	2,327	.0	(121)	.0	(121)	.0	2,205	.0	.0	.0	10	04/01/2045	1
3138WQ-AT-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		1,300	1,300	1,206	1,208	.0	92	.0	92	.0	1,300	.0	.0	.0	12	05/01/2043	1
3138WQ-AX-0	FNMA PASS-THRU LNG 30 YEAR		05/25/2015	VARIOUS		694,474	674,781	645,997	646,320	.0	693	.0	693	.0	647,012	.0	47,462	47,462	9,095		

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31402R-H2-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		5,281	5,281	5,331	5,325	0	(44)	0	(44)	0	5,281	0	0	0	113	12/01/2032	1
31402R-JV-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		43,072	43,072	46,969	46,928	0	(3,856)	0	(3,856)	0	43,072	0	0	0	788	07/01/2035	1
31402R-LZ-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		4,884	4,884	5,441	5,434	0	(550)	0	(550)	0	4,884	0	0	0	121	08/01/2035	1
31410G-AQ-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		10,425	10,425	11,588	11,581	0	(1,156)	0	(1,156)	0	10,425	0	0	0	200	12/01/2036	1
31410K-DN-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		37,561	37,561	41,205	41,227	0	(3,666)	0	(3,666)	0	37,561	0	0	0	834	05/01/2038	1
31410K-T8-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		24,647	24,647	27,189	27,258	0	(2,611)	0	(2,611)	0	24,647	0	0	0	497	05/01/2037	1
31410K-US-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		41,454	41,454	45,706	45,673	0	(4,219)	0	(4,219)	0	41,454	0	0	0	768	08/01/2037	1
31410K-XM-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		46,759	46,759	52,007	51,959	0	(5,200)	0	(5,200)	0	46,759	0	0	0	1,083	10/01/2038	1
31410L-DU-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		4,612	4,612	4,951	4,950	0	(337)	0	(337)	0	4,612	0	0	0	74	02/01/2041	1
31410L-MN-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	VARIOUS		361,325	352,119	341,879	342,001	0	634	0	634	0	342,635	0	18,690	18,690	3,061	11/01/2043	1
31411B-GT-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		31,272	31,272	34,282	34,345	0	(3,073)	0	(3,073)	0	31,272	0	0	0	638	12/01/2036	1
31412R-FJ-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		13,681	13,681	14,818	14,818	0	(1,131)	0	(1,131)	0	13,681	0	0	0	211	03/01/2040	1
31416C-JV-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		42,474	42,474	47,200	47,166	0	(4,691)	0	(4,691)	0	42,474	0	0	0	891	11/01/2038	1
31416H-H3-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		47,666	47,666	52,142	52,147	0	(4,482)	0	(4,482)	0	47,666	0	0	0	895	06/01/2040	1
31416X-J7-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		86,769	86,769	91,914	91,863	0	(5,094)	0	(5,094)	0	86,769	0	0	0	1,223	01/01/2041	1
31417D-26-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		2,861	2,861	3,004	3,001	0	(140)	0	(140)	0	2,861	0	0	0	31	11/01/2042	1
31417D-3H-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		10,253	10,253	10,793	10,802	0	(550)	0	(550)	0	10,253	0	0	0	110	11/01/2040	1
31417D-F9-9	FNMA PASS-THRU LNG 30 YEAR		05/25/2015	VARIOUS		83,129	80,582	85,254	85,152	0	(125)	0	(125)	0	85,027	0	(1,898)	(1,898)	1,085	10/01/2042	1
31417D-LP-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		29,947	29,947	31,472	31,472	0	(1,525)	0	(1,525)	0	29,947	0	0	0	412	10/01/2042	1
31417D-MU-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		1,897	1,897	1,997	1,994	0	(98)	0	(98)	0	1,897	0	0	0	22	10/01/2042	1
31417D-MV-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		4,269	4,269	4,497	4,492	0	(223)	0	(223)	0	4,269	0	0	0	46	10/01/2042	1
31417D-QW-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		4,101	4,101	4,315	4,310	0	(209)	0	(209)	0	4,101	0	0	0	42	10/01/2042	1
31417E-CX-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		6,957	6,957	7,192	7,203	0	(246)	0	(246)	0	6,957	0	0	0	79	12/01/2042	1
31417E-WG-2	FNMA PASS-THRU LNG 30 YEAR		05/25/2015	VARIOUS		263,083	255,224	262,881	263,257	0	(228)	0	(228)	0	263,029	0	55	55	3,438	02/01/2043	1
31417G-6A-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		6,375	6,375	6,551	6,549	0	(174)	0	(174)	0	6,375	0	0	0	78	07/01/2043	1
31417V-N6-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		41,915	41,915	44,947	44,906	0	(2,991)	0	(2,991)	0	41,915	0	0	0	679	12/01/2039	1
31417Y-W4-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		21,075	21,075	22,695	22,691	0	(1,615)	0	(1,615)	0	21,075	0	0	0	334	03/01/2041	1
31418A-DH-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		5,978	5,978	6,097	6,114	0	(136)	0	(136)	0	5,978	0	0	0	71	03/01/2042	1
31418M-ZT-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		3,748	3,748	4,150	4,145	0	(397)	0	(397)	0	3,748	0	0	0	86	10/01/2039	1
31418M-SR-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		12,884	12,884	14,333	14,372	0	(1,488)	0	(1,488)	0	12,884	0	0	0	270	06/01/2039	1
31418T-JF-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		45,421	45,421	50,417	50,438	0	(5,017)	0	(5,017)	0	45,421	0	0	0	966	05/01/2040	1
31418U-WI-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		17,150	17,150	18,846	18,838	0	(1,688)	0	(1,688)	0	17,150	0	0	0	306	07/01/2040	1
31419A-NJ-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		14,371	14,371	15,768	15,759	0	(1,387)	0	(1,387)	0	14,371	0	0	0	279	12/01/2039	1
31419A-P5-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		9,638	9,638	10,894	10,893	0	(1,256)	0	(1,256)	0	9,638	0	0	0	223	10/01/2039	1
31419A-VS-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		854	854	900	902	0	(48)	0	(48)	0	854	0	0	0	12	11/01/2040	1
31419F-FV-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		14,911	14,911	15,987	15,985	0	(1,074)	0	(1,074)	0	14,911	0	0	0	248	11/01/2040	1
31419J-SV-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		4,395	4,395	4,663	4,663	0	(268)	0	(268)	0	4,395	0	0	0	70	11/01/2040	1
31371N-LS-2	FNMA PASS-THRU LNG 10 7-10YR		04/25/2015	VARIOUS		111,585	99,550	101,370	101,363	0	(110)	0	(110)	0	101,254	0	10,331	10,331	2,432	10/01/2037	1
31410G-LR-2	FNMA PASS-THRU LNG 10 7-10YR		04/25/2015	VARIOUS		186,841	167,642	180,137	180,240	0	(525)	0	(525)	0	179,715	0	7,126	7,126	3,716	10/01/2037	1
31413Q-PD-4	FNMA PASS-THRU LNG 10 7-10YR		04/25/2015	VARIOUS		265,094	238,425	245,354	245,310	0	(913)	0	(913)	0	244,398	0	20,696	20,696	5,849	10/01/2037	1
31418M-CG-5	FNMA PASS-THRU LNG 10 7-10YR		04/25/2015	VARIOUS		521,634	465,487	496,617	496,810	0	(1,778)	0	(1,778)	0	495,033	0	26,601	26,601	11,372	12/01/2037	1
31418M-XZ-0	FNMA PASS-THRU LNG 10 7-10YR		04/25/2015	VARIOUS		133,097	119,211	127,006	126,771	0	(180)	0	(180)	0	126,590	0	6,507	6,507	2,695	05/01/2038	1
31418M-ZZ-4	FNMA PASS-THRU MEGA MULTI 7		06/25/2015	PRINCIPAL RECEIPT		16,434	16,434	18,447	18,447	0	(2,013)	0	(2,013)	0	16,434	0	0	0	62	02/01/2020	1
3138AF-W6-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2015	PRINCIPAL RECEIPT		68,573	68,573	74,016	74,023	0	(5,450)	0	(5,450)	0	68,573	0	0	0	1,143	05/01/2041	1
3138EP-SD-7	FNMA PL #AL6815 5.000% 4/01/45		05/01/2015	BARCLAYS CAPITAL		669,598	600,705	669,598	669,598	0	0	0	0	0	669,598	0	0	0	2,420	04/01/2045	1
31387D-30-0	FNMA POOL #581407		06/25/2015	PRINCIPAL RECEIPT		82	82	83	83	0	(1)	0	(1)	0	82	0	0	0	2	06/01/2031	1
31410F-UC-7	FNMA POOL #888079 6.500%		05/25/2015	VARIOUS		418,920	365,490	373,786	372,312	0	(440)	0	(440)	0	371,872	0	47,047	47,047	10,627	10/01/2037	1
31410K-LK-8	FNMA POOL #889886 7.000%		06/25/2015	PRINCIPAL RECEIPT		11,901	11,901	12,458	12,442	0	(541)	0	(541)	0	11,901	0	0	0	313	12/01/2037	1
31392E-S8-4	FNMA REMIC TRUST 2002-W10		06/25/2015	PRINCIPAL RECEIPT		12,515	12,515	12,499	12,498	0	17	0	17	0	12,515	0	0	0	238	08/25/2042	1
31392D-H7-0	FNMA REMIC TRUST 2002-W6		06/25/2015	PRINCIPAL RECEIPT		9,783	9,783	10,731	9,947	0	(164)	0	(164)	0	9,783	0	0	0	236	06/25/2042	1
31392D-P9-7	FNMA REMIC TRUST 2002-W8		06/25/2015	PRINCIPAL RECEIPT		6,441	6,441	6,757	6,478	0	(37)	0	(37)	0	6,441	0	0	0	177	06/25/2042	1
31398G-4P-1	FNMA REMIC TRUST 2010-2		06/25/2015	PRINCIPAL RECEIPT		92,427	92,427	97,424	97,211	0	(4,784)	0	(4,784)	0	92,427	0	0	0	1,487	12/25/2049	1
3136A3-7D-7	FNMA REMIC TRUST 2012-39		06/25/2015	PRINCIPAL RECEIPT		54,715	54,715	57,998	57,258	0	(2,542)	0	(2,542)	0	54,715	0	0	0	707	03/25/2042	1
3199999	Subtotal - Bonds - U.S. Special Revenues					8,434,964	8,130,350	8,511,121	6,939,158	0	(279,118)	0	(279,118)	0	8,218,881	0	216,083	216,083	130,339	XXX	XXX
002824-AV-2	ABBOTT LABS		06/11/2015	MERRILL LYNCH PROFESSIONAL CLEAR		2,414,700	2,000,000	2,725,400	0	0	(6,255)	0	(6,255)	0	2,719,145	0	(304,445)	(304,445)	85,000	04/01/2039	1FE

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STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
00206R-CG-5	AT&T INC		06/11/2015	LINSCO/Private Ledger Corp. RE		2,296,250	2,500,000	2,600,000	.0	.0	(278)	.0	(278)	.0	2,599,722	.0	(303,472)	(303,472)	.60,333	06/15/2044	1FE
05524V-AA-5	BAMLL TRUST 2011-FSHN 144A		04/09/2015	CFG CAPITAL MARKETS LLC		797,281	715,000	828,841	804,373	.0	(3,497)	.0	(3,497)	.0	800,877	.0	(3,596)	(3,596)	.11,676	07/11/2033	1FM
05950W-AF-5	BANC AMER CMB 2006-4		06/10/2015	PRINCIPAL RECEIPT		13,089	13,089	14,793	13,624	.0	(535)	.0	(535)	.0	13,089	.0	.0	.0	.251	07/10/2046	1FM
059513-AE-1	BANC AMER CMB 2007-4		06/10/2015	PRINCIPAL RECEIPT		30,991	30,991	35,526	32,859	.0	(1,868)	.0	(1,868)	.0	30,991	.0	.0	.0	.813	02/10/2051	1FM
05952C-AE-0	BANC AMER CMB 2007-5		06/10/2015	PRINCIPAL RECEIPT		84,356	84,356	96,297	88,857	.0	(4,502)	.0	(4,502)	.0	84,356	.0	.0	.0	1,654	02/10/2051	1FM
09247X-AL-5	BLACKROCK INC		06/11/2015	INC		1,011,720	1,000,000	1,073,540	.0	.0	(2,571)	.0	(2,571)	.0	1,070,969	.0	(59,249)	(59,249)	.26,056	03/18/2024	1FE
05568Y-AA-6	BNSF RAILWAY CO 2007-1		04/01/2015	PRINCIPAL RECEIPT		30,714	30,714	30,714	30,714	.0	.0	.0	.0	.0	30,714	.0	.0	.0	.921	04/01/2024	1FE
116663-AC-9	BRUCE MANSFIELD UNIT 2007-1		06/01/2015	PRINCIPAL RECEIPT		3,105	3,105	3,105	3,105	.0	.0	.0	.0	.0	3,105	.0	.0	.0	.106	06/01/2034	2AM
13975D-AC-9	CAPITAL AUTO RECV ABN 2013-3		06/10/2015	EXCHANGE		2,985,948	2,975,000	2,991,734	.0	.0	(3,451)	.0	(3,451)	.0	2,988,284	.0	(2,336)	(2,336)	.9,202	12/20/2017	1FE
14170T-AK-7	CAREFUSION CORP		04/27/2015	PRINCIPAL RECEIPT		1,000,276	1,000,000	1,000,280	1,000,278	.0	(1)	.0	(1)	.0	1,000,276	.0	.0	.0	.0	05/15/2044	2FE
12505N-AB-0	CCG RECEIVABLES ABS 1.060% 144A		06/14/2015	PRINCIPAL RECEIPT		11,667	11,667	11,666	11,673	.0	(6)	.0	(6)	.0	11,667	.0	.0	.0	.48	11/15/2021	1FE
20030N-AV-3	COMCAST CORP NEW		06/12/2015	SALOMON SMITH BARNEY INC/SAL		1,073,779	825,000	1,088,279	1,082,263	.0	(2,911)	.0	(2,911)	.0	1,079,352	.0	(5,574)	(5,574)	.48,100	08/15/2037	1FE
20030N-BB-6	COMCAST CORP NEW		05/05/2015	CREDIT SUISSE FIRST BOSTON COR		200,429	155,000	195,123	193,101	.0	(276)	.0	(276)	.0	192,825	.0	7,604	7,604	.6,779	03/01/2040	1FE
12622D-AA-2	COMM 2010-C1 144A		04/10/2015	VARIOUS		901,703	900,301	935,469	913,770	.0	(4,727)	.0	(4,727)	.0	909,042	.0	(7,339)	(7,339)	.11,299	07/12/2046	1FM
12624N-AA-8	COMM MTG TR 2012-LTRT 144A		06/05/2015	PRINCIPAL RECEIPT		32,614	32,614	33,690	33,465	.0	(851)	.0	(851)	.0	32,614	.0	.0	.0	.292	10/07/2030	1FM
205887-AX-0	CONAGRA FOODS INC		04/23/2015	VARIOUS		1,546,425	1,125,000	1,595,895	1,592,191	.0	(6,430)	.0	(6,430)	.0	1,585,761	.0	(39,336)	(39,336)	.57,469	09/15/2030	2FE
209111-FD-0	CONSOLIDATED EDISON CO N Y INC		06/24/2015	MERRILL LYNCH PROFESSIONL CLEAR		489,645	500,000	533,760	533,725	.0	(304)	.0	(304)	.0	533,422	.0	(43,777)	(43,777)	.17,553	03/15/2044	1FE
210795-PZ-7	CONTINENTAL AIRLINE PT TR 2012-1		04/11/2015	Sink PMT @ 100.00000000 JP MORGAN SECURITIES INC		4,553	4,553	4,521	4,528	.0	25	.0	25	.0	4,553	.0	.0	.0	.0	10/11/2025	2FE
224044-BW-6	COX COMMUNICATIONS INC NEW 144A		06/03/2015	PRINCIPAL RECEIPT		100,409	105,000	100,475	101,080	.0	177	.0	177	.0	101,258	.0	(848)	(848)	.1,640	12/15/2022	2FE
25272U-AA-9	DIAMOND RESORTS TR 144A		06/20/2015	PRINCIPAL RECEIPT		8,735	8,735	8,733	8,755	.0	(19)	.0	(19)	.0	8,735	.0	.0	.0	.78	05/20/2026	1FE
29372E-AY-4	ENTERPRISE FLEET FNC 144A		06/20/2015	PRINCIPAL RECEIPT		25,321	25,321	25,317	25,327	.0	(6)	.0	(6)	.0	25,321	.0	.0	.0	.104	03/20/2019	1FE
30165R-AA-6	EXETER AUTO RECV TR 2014 144A		06/15/2015	PRINCIPAL RECEIPT		7,566	7,566	7,566	7,571	.0	(5)	.0	(5)	.0	7,566	.0	.0	.0	.34	08/15/2018	1FE
33735B-BH-7	FIRST UN CORP		05/26/2015	ASSOCIATES, INC WACHOVIA SECURITIES		784,650	600,000	790,800	786,009	.0	(5,080)	.0	(5,080)	.0	780,929	.0	3,721	3,721	.37,618	08/01/2026	1FE
36830L-AC-7	GE EQUIP SMALL TOKT 2013-144A		05/07/2015	CAPITAL		100,117	100,000	99,988	99,996	.0	2	.0	2	.0	99,998	.0	119	119	.391	02/24/2017	1FE
36962G-XZ-2	GENERAL ELEC CAP CORP MTN BE		04/23/2015	PERSHING LLC		1,884,143	1,345,000	1,713,530	1,690,541	.0	(4,163)	.0	(4,163)	.0	1,686,379	.0	197,765	197,765	.56,238	03/15/2032	1FE
375558-BA-0	GILEAD SCIENCES INC		05/05/2015	VARIOUS		284,593	275,000	273,386	273,389	.0	9	.0	9	.0	273,398	.0	11,196	11,196	.5,865	02/01/2045	1FE
20173Q-AE-1	GREENWICH CAP CMB 2007-GG9		06/12/2015	PRINCIPAL RECEIPT		39,254	39,254	43,204	40,625	.0	(1,372)	.0	(1,372)	.0	39,254	.0	.0	.0	.743	03/10/2039	1FM
36191Y-BB-3	GS MTG SECS TR 2011-GC5		04/08/2015	CFG CAPITAL MARKETS LLC		1,076,836	1,000,000	1,110,000	1,085,272	.0	(3,477)	.0	(3,477)	.0	1,081,795	.0	(4,959)	(4,959)	.13,592	08/12/2044	1FM
36192H-AA-2	GS MTG SECS TR 2012-ALPHA 144A		04/08/2015	CFG CAPITAL MARKETS LLC		2,130,000	2,000,000	2,166,250	2,133,689	.0	(4,449)	.0	(4,449)	.0	2,129,240	.0	760	760	.26,041	04/12/2034	1FM
36248G-AB-6	GS MTG SECS TR 2013-GCJ16		04/08/2015	CFG CAPITAL MARKETS LLC		2,206,517	2,113,000	2,198,510	2,190,123	.0	(3,171)	.0	(3,171)	.0	2,186,953	.0	19,564	19,564	.23,499	11/13/2046	1FM
36253B-AQ-6	GS MTG SECS TR 2014-GC22		06/12/2015	PRINCIPAL RECEIPT		2,693	2,693	2,693	2,693	.0	.0	.0	.0	.0	2,693	.0	.0	.0	.15	06/12/2047	1FM
36246M-AP-4	GTP ACQ PARTNERS 2013-1 144A		06/15/2015	PRINCIPAL RECEIPT		135,000	135,000	135,000	135,000	.0	.0	.0	.0	.0	135,000	.0	.0	.0	4,849	05/15/2043	1FE
411707-AA-0	HARDEES FUND LLC 144A		06/20/2015	PRINCIPAL RECEIPT		1,219	1,219	1,225	1,224	.0	(5)	.0	(5)	.0	1,219	.0	.0	.0	.14	03/20/2043	3AM
43284A-AA-2	HILTON GRAND VACA TR 2014-A 144A		06/25/2015	PRINCIPAL RECEIPT		12,326	12,326	12,324	12,342	.0	(16)	.0	(16)	.0	12,326	.0	.0	.0	.78	11/25/2026	1FE
437076-AS-1	HOME DEPOT INC		06/11/2015	CFG CAPITAL MARKETS LLC		2,396,180	2,000,000	2,639,520	.0	.0	(6,403)	.0	(6,403)	.0	2,633,117	.0	(236,937)	(236,937)	.58,750	12/16/2036	1FE
460146-CG-6	INTL PAPER CO		06/15/2015	Banc/America Sec		52,434	47,000	49,918	49,202	.0	(123)	.0	(123)	.0	49,079	.0	3,354	3,354	.1,842	02/15/2022	2FE
46186N-AA-6	INVITATION HOMES TR 2013 144A		05/12/2015	VARIOUS		97,882	97,851	97,851	97,851	.0	.0	.0	.0	.0	97,851	.0	31	31	.567	12/19/2030	1FE
46186P-AA-1	INVITATION HOMES TR 2014 144A		05/12/2015	CREDIT SUISSE FIRST BOSTON COR		99,719	100,000	100,000	100,000	.0	.0	.0	.0	.0	100,000	.0	(281)	(281)	.485	06/19/2031	1FE
46630V-AD-4	JP MORGAN CHASE 2007-C1BC19		06/12/2015	PRINCIPAL RECEIPT		1,510	1,510	1,707	1,593	.0	(83)	.0	(83)	.0	1,510	.0	.0	.0	.36	02/12/2049	1FM
46635T-AU-6	JP MORGAN CHASE CMB 2011-C3 144A		04/08/2015	CFG CAPITAL MARKETS LLC		1,678,828	1,500,000	1,715,625	1,667,083	.0	(6,850)	.0	(6,850)	.0	1,660,233	.0	18,595	18,595	.27,572	02/16/2046	1FM
46636D-AE-6	JP MORGAN CHASE CMB 2011-C4 144A		04/08/2015	CFG CAPITAL MARKETS LLC		1,924,031	1,800,000	2,031,750	1,937,664	.0	(12,385)	.0	(12,385)	.0	1,925,278	.0	(1,247)	(1,247)	.27,102	07/17/2046	1FM

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STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
46640J-AP-2	JP MORGAN CHASE MBS 2013-C13		04/08/2015	CFG CAPITAL MARKETS LLC		1,858,359	1,800,000	1,834,313	1,824,661	.0	(1,579)	.0	(1,579)	.0	1,823,082	.0	35,277	35,277	17,589	01/18/2046	1FM
46629P-AC-2	JP MORGAN COM MTG 2006-LDP9		06/15/2015	PRINCIPAL RECEIPT MORGAN STANLEY & CO. INC		5,711	5,711	6,240	6,075	.0	(364)	.0	(364)	.0	5,711	.0	.0	.0	155	05/15/2047	1FM
485188-AN-6	KANSAS CITY SOUTHWY CO		05/27/2015			216,337	220,000	212,249	212,318	.0	55	.0	55	.0	212,373	.0	3,964	3,964	5,150	05/15/2043	2FE
50179A-AE-7	LB-LBS CMBS 2007-C1		06/15/2015	PRINCIPAL RECEIPT		6,451	6,451	7,287	6,681	.0	(229)	.0	(229)	.0	6,451	.0	.0	.0	146	02/15/2040	1FM
52109P-AE-5	LB-LBS CMBS 2007-C6		04/15/2015	VARIOUS		969,806	922,025	992,329	938,484	.0	(10,005)	.0	(10,005)	.0	928,479	.0	41,327	41,327	18,304	07/15/2040	1FM
52602E-AD-4	LENDER PROCESSING SVCS INC		05/29/2015	CFG CAPITAL MARKETS LLC		365,895	346,000	368,490	368,249	.0	(22,249)	.0	(22,249)	.0	346,000	.0	19,895	19,895	10,789	04/15/2023	2FE
594918-AX-2	MICROSOFT CORP		06/11/2015	KEYBANC CAPITAL MARKETS INC		2,670,825	2,500,000	3,007,125	.0	.0	(1,668)	.0	(1,668)	.0	3,005,457	.0	(334,632)	(334,632)	61,276	12/15/2043	1FE
596260-AL-9	MIDAMERICAN ENERGY CO		04/23/2015	CFG CAPITAL MARKETS LLC		2,353,460	2,000,000	2,175,420	2,173,739	.0	(974)	.0	(974)	.0	2,172,765	.0	180,695	180,695	59,467	09/15/2043	1FE
59025W-AE-6	ML MTG TRUST 2008-C1		06/12/2015	PRINCIPAL RECEIPT		3,012	3,012	3,430	3,178	.0	(165)	.0	(165)	.0	3,012	.0	.0	.0	72	02/12/2051	1FM
61761Q-AB-9	MS BOFA ML TRUST 2013-C8		04/09/2015	CFG CAPITAL MARKETS LLC		1,005,586	1,000,000	993,125	995,049	.0	369	.0	369	.0	995,418	.0	10,168	10,168	6,240	12/17/2048	1FM
61763M-AA-8	MS BOFAML TRUST 2014-C16		06/17/2015	PRINCIPAL RECEIPT		3,102	3,102	3,102	3,102	.0	.0	.0	.0	.0	3,102	.0	.0	.0	17	06/17/2047	1FM
553893-AA-6	MVV OWNER TRUST 2013-144A		06/20/2015	PRINCIPAL RECEIPT		5,222	5,222	5,222	5,233	.0	(10)	.0	(10)	.0	5,222	.0	.0	.0	41	04/22/2030	1FE
63946B-AH-3	NBCUNIVERSAL MEDIA LLC		06/17/2015	VARIOUS		87,431	90,000	89,457	89,552	.0	23	.0	23	.0	89,575	.0	(2,143)	(2,143)	2,401	01/15/2023	1FE
63946B-AJ-9	NBCUNIVERSAL MEDIA LLC		05/05/2015	SALOMON SMITH BARNEY INC/SAL		483,963	475,000	475,223	475,221	.0	(1)	.0	(1)	.0	475,220	.0	8,743	8,743	17,204	01/15/2043	1FE
64828A-AF-0	NEW RESI MTG LN TR 2014-1 144A		06/25/2015	PRINCIPAL RECEIPT		18,040	18,040	19,257	19,249	.0	(1,210)	.0	(1,210)	.0	18,040	.0	.0	.0	398	01/25/2054	1FE
652482-BJ-8	NEWS AMER INC		04/06/2015	MERGER		767,795	725,000	771,497	768,125	.0	(330)	.0	(330)	.0	767,795	.0	.0	.0	27	12/15/2034	2FE
652482-BN-9	NEWS AMER INC		04/06/2015	MERGER		1,075,807	900,000	1,079,100	1,077,020	.0	(1,213)	.0	(1,213)	.0	1,075,807	.0	.0	.0	27,875	03/01/2037	2FE
652482-BQ-2	NEWS AMER INC		04/06/2015	MERGER		201,795	175,000	203,390	201,954	.0	(159)	.0	(159)	.0	201,795	.0	.0	.0	0	11/15/2037	2FE
652482-BX-7	NEWS AMER INC		04/06/2015	MERGER		256,489	225,000	260,516	257,921	.0	(1,432)	.0	(1,432)	.0	256,489	.0	.0	.0	6,356	08/15/2020	2FE
655044-AJ-4	NOBLE ENERGY INC		04/23/2015	CFG CAPITAL MARKETS LLC		2,142,040	2,000,000	2,025,000	2,024,950	.0	(115)	.0	(115)	.0	2,024,835	.0	117,205	117,205	47,975	11/15/2044	2FE
677050-AK-2	OGLETHORPE PWR CORP		04/23/2015	CFG CAPITAL MARKETS LLC		2,143,160	2,000,000	2,009,780	2,009,698	.0	(50)	.0	(50)	.0	2,009,648	.0	133,512	133,512	37,158	06/01/2044	1FE
68389X-BE-4	ORACLE CORP		06/16/2015	MERRILL LYNCH PROFESSIONL CLEAR		2,331,775	2,500,000	2,424,000	.0	.0	271	.0	271	.0	2,424,271	.0	(92,496)	(92,496)	11,917	05/15/2035	1FE
740189-AH-8	PRECISION CASTPARTS CORP		04/23/2015	PERSHING LLC		1,006,150	1,000,000	943,380	943,933	.0	327	.0	327	.0	944,260	.0	61,890	61,890	30,658	01/15/2043	1FE
744560-BK-1	PUBLIC SVC ELEC GAS CO MTN BE		06/11/2015	RAYMOND JAMES & ASSOCIATES, INC		1,475,565	1,500,000	1,583,115	.0	.0	(2,715)	.0	(2,715)	.0	1,580,400	.0	(104,835)	(104,835)	27,831	11/15/2024	1FE
81745M-AD-3	SEQUOIA MTG TR 2013-2		06/25/2015	PRINCIPAL RECEIPT		10,386	10,386	10,516	.0	.0	(130)	.0	(130)	.0	10,386	.0	.0	.0	48	02/25/2043	1FM
81745B-AA-3	SEQUOIA MTG TR 2013-6		06/25/2015	PRINCIPAL RECEIPT		8,942	8,942	8,896	8,899	.0	43	.0	43	.0	8,942	.0	.0	.0	84	05/25/2043	1FM
81745B-AM-7	SEQUOIA MTG TR 2013-6		06/25/2015	PRINCIPAL RECEIPT		8,944	8,944	9,000	.0	.0	(56)	.0	(56)	.0	8,944	.0	.0	.0	35	05/25/2043	1FE
81745C-AB-9	SEQUOIA MTG TR 2013-7		06/25/2015	PRINCIPAL RECEIPT		2,749	2,749	2,767	2,764	.0	(15)	.0	(15)	.0	2,749	.0	.0	.0	29	06/25/2043	1FM
82651Y-AA-3	SIERRA RECEIVABLES FDG 144A		06/20/2015	PRINCIPAL RECEIPT		4,927	4,927	4,926	4,937	.0	(10)	.0	(10)	.0	4,927	.0	.0	.0	30	11/20/2029	1FE
82652B-AA-2	SIERRA RECEIVABLES FDG 144A		06/20/2015	PRINCIPAL RECEIPT		10,484	10,484	10,518	10,550	.0	(66)	.0	(66)	.0	10,484	.0	.0	.0	92	11/20/2025	1FE
82650H-AA-1	SIERRA RECEIVABLES FDG 2013-3 144A		06/20/2015	PRINCIPAL RECEIPT		8,993	8,993	8,990	9,013	.0	(20)	.0	(20)	.0	8,993	.0	.0	.0	76	10/20/2030	1FE
82652C-AA-0	SIERRA RECEIVABLES FDG 2014-144A		06/20/2015	PRINCIPAL RECEIPT		15,296	15,296	15,295	15,328	.0	(32)	.0	(32)	.0	15,296	.0	.0	.0	122	03/20/2030	1FE
832696-AB-4	SMUCKER J M CO		04/10/2015	RAYMOND JAMES & ASSOCIATES, INC		527,030	500,000	506,375	505,518	.0	(201)	.0	(201)	.0	505,317	.0	21,713	21,713	8,750	10/15/2021	2FE
87612E-BA-3	TARGET CORP		06/11/2015	LINSCO/PRIVATE LEDGER CORP. RE		1,872,400	2,000,000	2,091,480	.0	.0	(648)	.0	(648)	.0	2,090,832	.0	(218,432)	(218,432)	36,667	07/01/2042	1FE
881561-XJ-8	TERWIN MTG TR 2005-14HE		06/25/2015	PRINCIPAL RECEIPT		1,426	1,426	1,411	1,419	.0	7	.0	7	.0	1,426	.0	.0	.0	24	08/25/2036	1FM
88713U-AA-4	TIMBERSTAR TRUST 2006-1 144A		04/09/2015	CFG CAPITAL MARKETS LLC		1,053,633	1,000,000	1,145,200	1,069,327	.0	(10,754)	.0	(10,754)	.0	1,058,573	.0	(4,940)	(4,940)	20,940	10/15/2036	1FE
88732J-AS-7	TIME WARNER CABLE INC		04/20/2015	GOLDMAN, SACHS & CO.		199,898	165,000	208,961	201,909	.0	(2,499)	.0	(2,499)	.0	199,410	.0	487	487	7,638	04/01/2019	2FE
907818-EB-0	UNION PAC CORP		06/11/2015	RAYMOND JAMES & ASSOCIATES, INC		1,785,540	2,000,000	1,987,680	.0	.0	144	.0	144	.0	1,987,824	.0	(202,284)	(202,284)	25,688	02/01/2035	1FE
90345W-AD-6	US AIRWAYS PT TRUST		06/03/2015	Sink PMT @ 100.00000000		7,411	7,411	7,800	7,808	.0	(397)	.0	(397)	.0	7,411	.0	.0	.0	0	12/03/2026	1FE
92343V-BR-4	VERIZON COMMUNICATIONS INC		06/15/2015	SALOMON SMITH BARNEY INC/SAL		344,736	315,000	334,417	332,540	.0	(763)	.0	(763)	.0	331,777	.0	12,959	12,959	12,302	09/15/2023	2FE
92935J-AC-9	WFBBS COML MTG TR 2011-C2 144A		04/09/2015	CFG CAPITAL MARKETS LLC		1,720,452	1,705,000	1,849,659	1,749,126	.0	(12,968)	.0	(12,968)	.0	1,736,158	.0	(15,706)	(15,706)	23,880	02/18/2044	1FM

E05.5

STATEMENT AS OF JUNE 30, 2015 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
982526-AU-9	WRIGLEY WM JR CO 144A		04/02/2015	BANC AMERICA SECURITIES LLC		188,694	185,000	184,960	184,976	0	2	0	2	0	184,977	0	3,717	3,717	2,060	10/21/2018	2FE	
03937L-AA-3	ARCH CAP GROUP LTD	R	05/14/2015	RAYMOND JAMES & ASSOCIATES, INC		1,300,910	1,000,000	1,352,620	1,346,767	0	(4,171)	0	(4,171)	0	1,342,596	0	(41,686)	(41,686)	40,425	05/01/2034	1FE	
223030-AP-5	COVIDIEN INTL FIN S A	R	06/11/2015	RBC CAPITAL MARKETS CORP		1,466,775	1,500,000	1,543,665	0	0	(1,688)	0	(1,688)	0	1,541,977	0	(75,202)	(75,202)	22,248	06/15/2023	1FE	
34988W-AD-6	FOSSE MASTER 2011-1	R	04/20/2015	PRINCIPAL RECEIPT		15,479	15,479	15,590	15,573	0	(95)	0	(95)	0	15,479	0	0	0	143	10/18/2054	1FE	
714294-AF-2	PERRIGO CO LTD	R	04/21/2015	BANC AMERICA SECURITIES LLC		201,924	200,000	199,769	199,780	0	17	0	17	0	199,797	0	2,127	2,127	2,108	11/08/2018	2FE	
91911T-AM-5	VALE OVERSEAS LTD	R	05/06/2015	BANC AMERICA SECURITIES LLC		190,617	195,000	199,623	198,697	0	(157)	0	(157)	0	198,540	0	(7,923)	(7,923)	7,036	01/11/2022	2FE	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					62,380,630	58,502,466	64,316,170	39,054,878	0	(163,737)	0	(163,737)	0	63,577,918	0	(1,197,287)	(1,197,287)	1,223,949		XXX	
8399997	Total - Bonds - Part 4					177,829,898	176,458,575	180,259,305	51,257,166	979	(586,431)	0	(585,452)	0	179,080,986	0	(1,251,089)	(1,251,089)	1,801,809		XXX	
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
8399999	Total - Bonds					177,829,898	176,458,575	180,259,305	51,257,166	979	(586,431)	0	(585,452)	0	179,080,986	0	(1,251,089)	(1,251,089)	1,801,809		XXX	
8999997	Total - Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0		XXX
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0		XXX
921943-88-2	VANGUARD DEVELOPED MKTS INDEX INST		06/10/2015	VANGUARD GROUP		376,789,751	5,000,000	3,745,274	4,589,299	(844,025)	0	0	(844,025)	0	3,745,274	0	1,254,726	1,254,726	21,854			
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		06/10/2015	VANGUARD GROUP		25,905,394	5,000,000	4,029,132	4,887,571	(858,439)	0	0	(858,439)	0	4,029,132	0	970,868	970,868	59,391			
9299999	Subtotal - Common Stocks - Mutual Funds					10,000,000	XXX	7,774,406	9,476,870	(1,702,464)	0	0	(1,702,464)	0	7,774,406	0	2,225,594	2,225,594	81,245		XXX	
9799997	Total - Common Stocks - Part 4					10,000,000	XXX	7,774,406	9,476,870	(1,702,464)	0	0	(1,702,464)	0	7,774,406	0	2,225,594	2,225,594	81,245		XXX	
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
9799999	Total - Common Stocks					10,000,000	XXX	7,774,406	9,476,870	(1,702,464)	0	0	(1,702,464)	0	7,774,406	0	2,225,594	2,225,594	81,245		XXX	
9899999	Total - Preferred and Common Stocks					10,000,000	XXX	7,774,406	9,476,870	(1,702,464)	0	0	(1,702,464)	0	7,774,406	0	2,225,594	2,225,594	81,245		XXX	
9999999	Totals					187,829,898	XXX	188,033,711	60,734,036	(1,701,485)	(586,431)	0	(2,287,916)	0	186,855,392	0	974,505	974,505	1,883,054		XXX	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....0

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open  
**N O N E**

Schedule DB - Part B - Section 1 - Futures Contracts Open  
**N O N E**

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made  
**N O N E**

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open  
**N O N E**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By  
**N O N E**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To  
**N O N E**

Schedule DL - Part 1 - Reinvested Collateral Assets Owned  
**N O N E**

Schedule DL - Part 2 - Reinvested Collateral Assets Owned  
**N O N E**



Schedule E - Part 2 - Cash Equivalents - Investments Owned End of Current Quarter

**N O N E**