

EXHIBIT 1

ANNUAL STATEMENT
OF THE
DC CHARTERED HEALTH PLAN, INC.

of
WASHINGTON
in the state of
District of Columbia

TO THE
Insurance Department
OF THE STATE OF
District of Columbia

For the Year Ending
December 31, 2012

2012



ANNUAL STATEMENT

For the Year Ending December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

DC CHARTERED HEALTH PLAN, INC.

NAIC Group Code	0000 <small>(Current Period)</small>	0000 <small>(Prior Period)</small>	NAIC Company Code	95748	Employer's ID Number	52-1492499
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]	Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]	Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]			
Incorporated/Organized	09/12/1986		Commenced Business	09/12/1986		
Statutory Home Office	1025 15TH STREET NW <small>(Street and Number)</small>		WASHINGTON, DC, US 20005-2601 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	1025 15TH STREET NW <small>(Street and Number)</small>					
	WASHINGTON, DC, US 20005-2601 <small>(City or Town, State, Country and Zip Code)</small>		(202)408-4720 <small>(Area Code) (Telephone Number)</small>			
Mail Address	1025 15TH STREET NW <small>(Street and Number or P.O. Box)</small>		WASHINGTON, DC, US 20005-2601 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	1025 15TH STREET NW <small>(Street and Number)</small>					
	WASHINGTON, DC, US 20005-2601 <small>(City or Town, State, Country and Zip Code)</small>		(202)408-3973 <small>(Area Code) (Telephone Number)</small>			
Internet Website Address	www.chartered-health.com					
Statutory Statement Contact	MAYNARD GEORGE MCALPIN <small>(Name)</small>		(202)408-3973 <small>(Area Code)(Telephone Number)(Extension)</small>			
	MMcalpin@chartered-health.com <small>(E-Mail Address)</small>		(202)289-6642 <small>(Fax Number)</small>			

OFFICERS

<u>Name</u>	<u>Title</u>
MAYNARD GEORGE MCALPIN	President & CEO

VICE PRESIDENT

PARMINDER SINGH SETHI, CIO KEITH ANTHONY MACCANNON, SVP, Health Plan Services, Marketing and Com.	LAVDNA ADAMS ORR MD, CMO
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DIRECTORS OR TRUSTEES

State of District of Columbia
 County of _____ ss

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

_____ <small>(Signature)</small> Maynard George McAlpin <small>(Printed Name)</small> 1. President and CEO <small>(Title)</small>	_____ <small>(Signature)</small> Daniel Lawrence Watkins <small>(Printed Name)</small> 2. Special Deputy Rehabilitator <small>(Title)</small>	_____ <small>(Signature)</small> Edward Frederick Oswald <small>(Printed Name)</small> 3. Interim Chief Financial Officer <small>(Title)</small>
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Subscribed and sworn to before me this _____ day of _____, 2013

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

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	13,479,363		13,479,363	15,025,957
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....(6,213,539) Schedule E Part 1), cash equivalents (\$.....10,225,639 Schedule E Part 2) and short-term investments (\$.....809,524 Schedule DA)	4,821,623		4,821,623	16,975,318
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	18,300,987		18,300,987	32,001,275
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	136,847		136,847	122,683
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,164,863		5,164,863	5,299,409
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums	32,000,000		32,000,000	20,000,000
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	351,586		351,586	246,430
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				31,273
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	280,042	133,978	146,063	
21. Furniture and equipment, including health care delivery assets (\$.....0)	315,697	315,697		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....0) and other amounts receivable	100,000	100,000		143,721
25. Aggregate write-ins for other than invested assets	909,690	909,690		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	57,559,711	1,459,365	56,100,345	57,844,792
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	57,559,711	1,459,365	56,100,345	57,844,792
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. PREPAIDS	747,235	747,235		
2502. DEPOSITS	132,837	132,837		
2503. ACCOUNTS RECEIVABLE - OTHER	29,369	29,369		
2598. Summary of remaining write-ins for Line 25 from overflow page	250	250		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	909,690	909,690		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	47,889,416		47,889,416	43,000,000
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	1,275,722		1,275,722	1,275,722
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	5,000,000		5,000,000	
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	11,270,616		11,270,616	7,313,520
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	28,217		28,217	122,176
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$.....0 current)	247,480		247,480	183,928
24. TOTAL Liabilities (Lines 1 to 23)	65,711,451		65,711,451	51,895,346
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	100	100
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	4,690,419	4,690,419
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	(14,301,625)	1,258,926
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	(9,611,106)	5,949,445
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	56,100,345	57,844,791
DETAILS OF WRITE-INS				
2301. UNCLAIMED CHECKS	247,480		247,480	183,928
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	247,480		247,480	183,928
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	1,315,078	1,325,230
2. Net premium income (including \$.....0 non-health premium income)	X X X	398,256,303	383,743,178
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	398,256,303	383,743,178
Hospital and Medical:			
9. Hospital/medical benefits		164,745,313	155,021,186
10. Other professional services		78,536,768	78,259,757
11. Outside referrals			
12. Emergency room and out-of-area		61,167,510	66,604,970
13. Prescription drugs		53,403,020	45,297,314
14. Aggregate write-ins for other hospital and medical		2,316,744	2,115,329
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		360,169,355	347,298,557
Less:			
17. Net reinsurance recoveries		619,220	702,156
18. TOTAL Hospital and Medical (Lines 16 minus 17)		359,550,135	346,596,401
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....7,239,210 cost containment expenses		13,369,721	12,344,021
21. General administrative expenses		34,321,277	26,915,784
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		5,000,000	
23. TOTAL Underwriting Deductions (Lines 18 through 22)		412,241,133	385,856,206
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(13,984,830)	(2,113,027)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		268,434	271,136
26. Net realized capital gains (losses) less capital gains tax of \$.....0		(188,599)	
27. Net investment gains (losses) (Lines 25 plus 26)		79,835	271,136
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....6,000,000)]		(6,000,000)	(10,000,000)
29. Aggregate write-ins for other income or expenses		(258,761)	2,487,676
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(20,163,755)	(9,354,215)
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	(20,163,755)	(9,354,215)
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401. OTHER MEDICAL CLAIMS - DME		2,316,744	2,115,329
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		2,316,744	2,115,329
2901. Dental Settlement with DCHF			7,500,000
2902. Claim Adjudication Services			201,832
2903. Write-off of balances Due To/From Parent		(8,427)	(3,855,522)
2998. Summary of remaining write-ins for Line 29 from overflow page		(250,333)	(1,358,634)
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		(258,761)	2,487,676

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	5,949,445	17,444,647
34.	Net income or (loss) from Line 32	(20,163,755)	(9,354,215)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		(3,319,807)
39.	Change in nonadmitted assets	4,603,204	1,611,527
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		0
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		(432,707)
48.	Net change in capital and surplus (Lines 34 to 47)	(15,560,551)	(11,495,202)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	(9,611,106)	5,949,445
DETAILS OF WRITE-INS			
4701.	CORRECTION OF PRIOR PERIOD ACCOUNTING ERROR		(432,707)
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		(432,707)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	391,422,122	366,272,113
2.	Net investment income	254,270	303,881
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	391,676,393	366,575,994
5.	Benefit and loss related payments	357,310,956	333,628,360
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	49,992,662	45,030,386
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		(3,368,587)
10.	Total (Lines 5 through 9)	407,303,618	375,290,158
11.	Net cash from operations (Line 4 minus Line 10)	(15,627,225)	(8,714,165)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	5,189,260	4,167,752
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets	13,283	33,991
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	0	
12.8	Total investment proceeds (Lines 12.1 to 12.7)	5,202,544	4,201,743
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	3,642,667	7,049,630
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	3,642,667	7,049,630
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	1,559,877	(2,847,887)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		0
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	1,913,653	(267,912)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,913,653	(267,912)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(12,153,694)	(11,829,964)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	16,975,318	28,805,282
19.2	End of year (Line 18 plus Line 19.1)	4,821,623	16,975,318

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

20.0001	Long-term CDARs were reported as cash in teh 12/31/10 annual statement - this was corrected in the 2011 annual statement		1,909,630
20.0002	Notes Receivable were reported as aggregate write-ins at 12/31/10 - at 12/31/11 a reclassification was made to correct this presentation error		201,882

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	398,256,303	21,486,387						376,769,916		
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6)	398,256,303	21,486,387						376,769,916		
8. Hospital/medical benefits	164,745,313	7,484,388						157,260,924		X X X
9. Other professional services	78,536,768	10,438,081						68,098,687		X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area	61,167,510	1,401,326						59,766,184		X X X
12. Prescription drugs	53,403,020	691,638						52,711,383		X X X
13. Aggregate write-ins for other hospital and medical	2,316,744	336,606						1,980,138		X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)	360,169,355	20,352,039						339,817,316		X X X
16. Net reinsurance recoveries	619,220							619,220		X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	359,550,135	20,352,039						339,198,097		X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....7,239,210 cost containment expenses	13,369,721	756,782						12,612,939		
20. General administrative expenses	34,321,277	1,942,728						32,378,549		
21. Increase in reserves for accident and health contracts	5,000,000	283,021						4,716,979		X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	412,241,133	23,334,569						388,906,564		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(13,984,830)	(1,848,182)						(12,136,648)		
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301. OTHER MEDICAL CLAIMS - DME	2,316,744	336,606						1,980,138		X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	2,316,744	336,606						1,980,138		X X X

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	21,486,387			21,486,387
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid	377,684,294		914,378	376,769,916
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	399,170,681		914,378	398,256,303
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	399,170,681		914,378	398,256,303

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	352,300,359	20,550,243						331,750,116		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	739,402							739,402		
1.4 Net	351,560,957	20,550,243						331,010,714		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	47,889,389	2,710,714						45,178,675		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	47,889,389	2,710,714						45,178,675		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	(3,204,919)							(3,204,919)		
7. Amounts recoverable from reinsurers December 31, current year	351,586							351,586		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	43,225,339	2,908,945						40,316,394		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded	225,339							225,339		
8.4 Net	43,000,000	2,908,945						40,091,055		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year	246,430							246,430		
12. Incurred benefits:										
12.1 Direct	360,169,328	20,352,012						339,817,316		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	619,219							619,219		
12.4 Net	359,550,109	20,352,012						339,198,097		
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.....100,000 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	13,598,910	769,755						12,829,155		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	13,598,910	769,755						12,829,155		
2. Incurred but Unreported:										
2.1 Direct	34,290,479	1,940,959						32,349,520		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	34,290,479	1,940,959						32,349,520		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	47,889,389	2,710,714						45,178,675		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	47,889,389	2,710,714						45,178,675		

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	3,263,458	17,286,785		2,710,741	3,263,458	2,908,945
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	36,427,218	294,478,339		45,178,675	36,427,218	40,091,055
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	39,690,676	311,765,124		47,889,416	39,690,676	43,000,000
10.	Healthcare receivables (a)						3,204,919
11.	Other non-health						
12.	Medical incentive pool and bonus amounts						
13.	TOTALS (Lines 9 - 10 + 11 + 12)	39,690,676	311,765,124		47,889,416	39,690,676	39,795,081

(a) Excludes \$.....100,000 loans or advances to providers not yet expensed.

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	15,569	15,569	15,569	15,569	15,569
2.	2008	135,127	158,691	158,503	158,503	158,503
3.	2009	X X X	186,911	216,775	218,486	218,469
4.	2010	X X X	X X X	230,729	262,606	261,921
5.	2011	X X X	X X X	X X X	301,440	341,832
6.	2012	X X X	X X X	X X X	X X X	314,970

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	15,596	15,570	15,570	15,569	15,569
2.	2008	156,355	158,691	158,503	158,503	158,503
3.	2009	X X X	211,634	216,775	218,486	218,469
4.	2010	X X X	X X X	262,161	262,606	261,921
5.	2011	X X X	X X X	X X X	344,440	341,832
6.	2012	X X X	X X X	X X X	X X X	362,860

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

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2008	180,992	158,503	7,311	4.612	165,814	91.614			165,814	91.614
2.	2009	229,536	218,469	19,151	8.766	237,620	103.522			237,620	103.522
3.	2010	296,733	261,921	7,281	2.780	269,202	90.722			269,202	90.722
4.	2011	383,743	341,832	12,284	3.594	354,116	92.279			354,116	92.279
5.	2012	398,256	314,970	11,434	3.630	326,404	81.958	47,890	1,276	375,570	94.304

12 Total

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

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	5,258	5,258	5,258	5,258	5,258
2.	2008	34,169	37,099	36,819	36,819	36,819
3.	2009	X X X	34,308	37,809	37,753	37,732
4.	2010	X X X	X X X	34,082	36,263	36,261
5.	2011	X X X	X X X	X X X	20,898	24,184
6.	2012	X X X	X X X	X X X	X X X	17,287

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	5,261	5,258	5,258	5,258	5,258
2.	2008	39,074	37,099	36,819	36,819	36,819
3.	2009	X X X	38,340	37,809	37,753	37,732
4.	2010	X X X	X X X	36,690	36,263	36,261
5.	2011	X X X	X X X	X X X	23,807	24,184
6.	2012	X X X	X X X	X X X	X X X	19,998

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2008	51,043	36,819	1,758	4.775	38,577	75.578			38,577	75.578
2. 2009	46,883	37,732	4,434	11.751	42,166	89.938			42,166	89.938
3. 2010	41,739	36,261	1,246	3.437	37,507	89.862			37,507	89.862
4. 2011	26,924	24,184	893	3.692	25,077	93.139			25,077	93.139
5. 2012	21,486	17,287	645	3.731	17,932	83.459	2,711	72	20,715	96.411

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

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

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	10,311	10,311	10,311	10,311	10,311
2.	2008	100,958	121,592	121,684	121,684	121,684
3.	2009	X X X	152,603	178,966	180,733	180,737
4.	2010	X X X	X X X	196,647	226,343	225,660
5.	2011	X X X	X X X	X X X	280,542	317,648
6.	2012	X X X	X X X	X X X	X X X	297,683

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	10,335	10,312	10,312	10,311	10,311
2.	2008	117,281	121,592	121,684	121,684	121,684
3.	2009	X X X	173,294	178,966	180,733	180,737
4.	2010	X X X	X X X	225,471	226,343	225,660
5.	2011	X X X	X X X	X X X	320,633	317,648
6.	2012	X X X	X X X	X X X	X X X	342,862

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2008	129,949	121,684	5,553	4.563	127,237	97.913			127,237	97.913
2. 2009	182,653	180,737	14,717	8.143	195,454	107.008			195,454	107.008
3. 2010	254,994	225,660	6,035	2.674	231,695	90.863			231,695	90.863
4. 2011	356,819	317,648	11,391	3.586	329,039	92.215			329,039	92.215
5. 2012	376,770	297,683	10,789	3.624	308,472	81.873	45,179	1,204	354,855	94.183

12 Title XIX-Medicaid

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

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	NONE				
3. 2009					
4. 2010					
5. 2011					
6. 2012					

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	NONE				
3. 2009					
4. 2010					
5. 2011					
6. 2012					

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2008										
2. 2009	NONE									
3. 2010										
4. 2011										
5. 2012										

12 Other

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)	5,000,000	283,021						4,716,979	
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)	5,000,000	283,021						4,716,979	
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	5,000,000	283,021						4,716,979	
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)									

(a) Includes \$.....5,000,000 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)	197,646	64,873	1,077,818		1,340,337
2. Salaries, wages and other benefits	3,154,881	1,030,894	9,100,467		13,286,243
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4. Legal fees and expenses			3,110,645		3,110,645
5. Certifications and accreditation fees	14,905	26	12,816		27,748
6. Auditing, actuarial and other consulting services	3,212,204	1,530,443	7,218,560		11,961,207
7. Traveling expenses	21,715	8,604	157,921		188,240
8. Marketing and advertising	13,837		677,183		691,020
9. Postage, express and telephone	51,091	688	386,772		438,551
10. Printing and office supplies	82,177	2,302	600,825		685,304
11. Occupancy, depreciation and amortization	47,591		2,013,696		2,061,287
12. Equipment			30,348		30,348
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services	161,807	3,371,788	83,111		3,616,705
15. Boards, bureaus and association fees	463	427	83,323		84,212
16. Insurance, except on real estate			610,488		610,488
17. Collection and bank service charges				41,120	41,120
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			7,983,414		7,983,414
23.3 Regulatory authority licenses and fees	61,749	52,072	591,509		705,331
23.4 Payroll taxes	219,144	68,392	490,219		777,754
23.5 Other (excluding federal income and real estate taxes)			(7,191)		(7,191)
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses			99,354		99,354
26. TOTAL Expenses Incurred (Lines 1 to 25)	7,239,210	6,130,510	34,321,277	41,120	(a) 47,732,117
27. Less expenses unpaid December 31, current year		1,275,722	11,270,616		12,546,338
28. Add expenses unpaid December 31, prior year		1,275,722	7,313,520		8,589,242
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	7,239,210	6,130,510	30,364,181	41,120	43,775,021
DETAILS OF WRITE-INS					
2501. INTEREST EXPENSE			42,517		42,517
2502. MISCELLANEOUS EXPENSE			54,938		54,938
2503. LATE FEES			1,899		1,899
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			99,354		99,354

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	222,222	239,647
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	70,973	70,770
7. Derivative instruments	(f)	
8. Other invested assets	2,367	(864)
9. Aggregate write-ins for investment income		
10. Total gross investment income	295,562	309,554
11. Investment expenses		(g) 41,120
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		41,120
17. Net Investment income (Line 10 minus Line 16)		268,434

DETAILS OF WRITE-INS

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....3,231 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets		(188,599)	(188,599)		
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)		(188,599)	(188,599)		
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)		201,882	201,882
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)		201,882	201,882
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	133,978	384,261	250,283
21. Furniture and equipment, including health care delivery assets	315,697	479,143	163,446
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates		347,035	347,035
24. Health care and other amounts receivable	100,000	3,061,198	2,961,198
25. Aggregate write-ins for other than invested assets	909,690	1,589,050	679,360
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,459,365	6,062,570	4,603,204
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,459,365	6,062,570	4,603,204
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. PREPAIDS	747,235	1,124,674	377,439
2502. DEPOSITS	132,837	162,205	29,369
2503. ACCOUNTS RECEIVABLE - OTHER	29,369	280,375	251,006
2598. Summary of remaining write-ins for Line 25 from overflow page	250	21,797	21,547
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	909,690	1,589,050	679,360

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	110,550	112,049	108,714	108,613	109,373	1,315,078
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	110,550	112,049	108,714	108,613	109,373	1,315,078
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals						
0299998 Premiums due and unpaid not individually listed						
0299999 Total group						
0399999 Premiums due and unpaid from Medicare entities						
0499999 Premiums due and unpaid from Medicaid entities	2,763,075	1,775,880	348,192	277,716		5,164,863
0599999 Accident and health premiums due and unpaid (Page 2, Line 15) ..	2,763,075	1,775,880	348,192	277,716		5,164,863

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed						
0199999 Subtotal - Pharmaceutical Rebate Receivables						
0299998 Claim Overpayment Receivables - Not Individually Listed						
0299999 Subtotal - Claim Overpayment Receivables						
Loans and Advances to Providers						
Battle Transportation				100,000	100,000	
0399998 Loans and Advances to Providers - Not Individually Listed						
0399999 Subtotal - Loans and Advances to Providers				100,000	100,000	
0499998 Capitation Arrangement Receivables - Not Individually Listed						
0499999 Subtotal - Capitation Arrangement Receivables						
0599998 Risk Sharing Receivables - Not Individually Listed						
0599999 Subtotal - Risk Sharing Receivables						
0699998 Other Receivables - Not Individually Listed						
0699999 Subtotal - Other Receivables						
0799999 Gross health care receivables				100,000	100,000	

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
Children's National Medical Center	5,161,281	112,758				5,274,039
0199999 Total - Individually Listed Claims Unpaid	5,161,281	112,758				5,274,039
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	8,324,871					8,324,871
0499999 Subtotals	13,486,152	112,758				13,598,910
0599999 Unreported claims and other claim reserves						34,290,506
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						47,889,416
0899999 Accrued Medical Incentive Pool and Bonus Amounts						

21 Exhibit 5 - Amounts Due From Parent NONE

22 Exhibit 6 - Amounts Due to Parent NONE

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

	1	2	3	4	5	6
Payment Method	Direct Medical Expense Payment	Column 1 as a % of Total Payments	Total Members Covered	Column 3 as a % of Total Members	Column 1 Expenses Paid to Affiliated Providers	Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	8,140,634	2.311	109,373	100.000		8,140,634
2. Intermediaries						
3. All other providers	7,269,407	2.063	109,373	100.000		7,269,407
4. TOTAL Capitation Payments	15,410,041	4.374	109,373	100.000		15,410,041
Other Payments:						
5. Fee-for-service	84,838,501	24.081	X X X	X X X		84,838,501
6. Contractual fee payments	252,051,816	71.545	X X X	X X X		252,051,816
7. Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9. Non-contingent salaries			X X X	X X X		
10. Aggregate cost arrangements			X X X	X X X		
11. All other payments			X X X	X X X		
12. TOTAL Other Payments	336,890,317	95.626	X X X	X X X		336,890,317
13. TOTAL (Line 4 plus Line 12)	352,300,358	100.000	X X X	X X X		352,300,358

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4	5	6
NAIC Code	Name of Intermediary	Capitation Paid	Average Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC
NONE					
9999999 Totals			X X X	X X X	X X X

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment	1,002,363		(875,544)	126,819	126,819	
2. Medical furniture, equipment and fixtures	12,841		(12,841)			
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment		1,034,684	(845,806)	188,878	188,878	
6. TOTAL	1,015,204	1,034,684	(1,734,191)	315,697	315,697	

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of DC Chartered Health Plan (Chartered) 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 (District) for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the District of Columbia Insurance Code. The DISB has adopted the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* as a component of prescribed and permitted practices for the District. The DISB has the right to permit specific practices that deviate from prescribed practices. There is no deviation from the NAIC *Accounting Practices and Procedures Manual*.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the District of Columbia Department of Insurance, Securities and Banking is shown below:

		State of Domicile	2012	2011
NET INCOME				
(1)	State basis (Page 4, Line 32, Columns 2 & 3)	DC	\$(20,163,755)	\$(9,354,215)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:			
(201)				
(299)	Total		\$0	\$0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:			
(301)				
(399)	Total		\$0	\$0
(4)	NAIC SAP (1-2-3=4)		\$(20,163,755)	\$(9,354,215)
SURPLUS				
(5)	State basis (Page 3, Line 33, Columns 3 & 4)	DC	\$(9,611,106)	\$5,949,445
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:			
(601)				
(699)	Total		\$0	\$0
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:			
(701)				
(799)	Total		\$0	\$0
(8)	NAIC SAP (5-6-7=8)		\$(9,611,106)	\$5,949,445

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

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

C. Accounting Policy

Chartered writes only Medicaid contracts primarily through a contract with the District of Columbia Department of Health (DOH). Medicaid premiums from the DOH are due monthly and are recognized as revenue during the period in which Chartered is obligated to provide service to members.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific interest method.

Notes to Financial Statements

- (3) Common stocks – None
- (4) Preferred stocks – None
- (5) Mortgage loans on real estate – None
- (6) Loan-backed securities – None
- (7) Investments in subsidiaries, controlled or affiliated companies – None
- (8) Investments in joint ventures, partnerships and limited liability companies – None
- (9) Derivatives instruments – None
- (10) Chartered does not carry a premium deficiency reserve and consequently does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) Medical and hospital costs are accrued based on claims received but unpaid and an estimate for claims incurred but not yet received (IBNR). These estimates are projected through an actuarial model, which calculates the outstanding liability based on payment trends and membership. Chartered uses actuarially sound methodologies developed by its actuarial consultants, OptumInsight, to calculate its medical liability. Claims and claims adjustment expenses are expensed as incurred. The Company establishes an unpaid claims liability for claims in the process of review and for claims incurred but not reported. The liability for claims incurred but not reported is actuarially estimated based on the most current historical claims experience, changes in number of members and participants and estimates of health care trend (cost, utilization and intensity of services) changes. Estimates for claims incurred but not reported are continually reviewed and revised as changes in these factors occur and revisions are reflected in the current year's statements of revenue and expenses.
- (12) Chartered has not modified its capitalization policy from the prior period.
- (13) Chartered has not recorded any pharmacy rebate receivables.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – None
- B. Debt Restructuring – None
- C. Reverse Mortgages – None
- D. Loan-Backed Securities – None
- E. Repurchase Agreements and/or Securities Lending Transactions – None
- F. Real Estate – None
- G. Low-Income Housing Tax Credits (LIHTC) – None

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. Chartered has no investments in joint ventures, partnerships or limited liability companies.
- B. None

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:

All investment income due or accrued with amounts that are over 90 days past due, with the exception of mortgage loans in default, are excluded from surplus.

- B. The Company has no investment income due and accrued excluded from surplus.

Notes to Financial Statements

8. Derivative Instruments

None

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

Description	12/31/2012			12/31/2011			Change		
	1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 - 4) Ordinary	8 (Col. 2 - 5) Capital	9 (Col. 7 + 8) Total
a. Gross Deferred Tax Assets	12,133,797	0	12,133,797	6,695,441	0	6,695,441	5,438,356	0	5,438,356
b. Statutory Valuation Allowance Adjustments	12,133,797	0	12,133,797	6,695,441	0	6,695,441	5,438,356	0	5,438,356
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	0	0	0	0	0	0	0	0	0
d. Deferred Tax Assets Non-admitted	0	0	0	0	0	0	0	0	0
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	0	0	0	0	0	0	0	0	0
f. Deferred Tax Liabilities	0	0	0	0	0	0	0	0	0
g. Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	0	0	0	0	0	0	0	0	0

2.

Description	12/31/2012			12/31/2011			Change		
	1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 - 4) Ordinary	8 (Col. 2 - 5) Capital	9 (Col. 7 + 8) Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	0	0	0	0	0	0	0	0	0
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application Of The Threshold Limitation (The Lesser of 2b1 and 2b2 below)	0	0	0	0	0	0	0	0	0
b1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	0	0	0	0	0	0	0	0	0
b2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX		XXX	XXX		XXX	XXX	
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities	0	0	0	0	0	0	0	0	0
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b - 2c)	0	0	0	0	0	0	0	0	0

3.

Description	2012	2011
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	(65)%	42%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	(9,611,106)	594,945

4.

Description	12/31/2012			12/31/2011			Change		
	1 Ordinary Percent	2 Capital Percent	3 (Col. 1 + 2) Total Percent	4 Ordinary Percent	5 Capital Percent	6 (Col. 4 + 5) Total Percent	7 (Col. 1 - 4) Ordinary Percent	8 (Col. 2 - 5) Capital Percent	9 (Col. 7 + 8) Total Percent
Impact of Tax Planning Strategies									
a. Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0	0	0	0	0	0	0	0	0
b. Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0	0	0	0	0	0	0	0	0

c. Does the Company's tax-planning strategies include the use of reinsurance? (Yes / No)	No
--	----

B. Regarding deferred tax liabilities that are not recognized: None

C. Current income taxes incurred consist of the following major components:

Description	1 12/31/2012	2 12/31/2011	3 (Col. 1 - 2) Change
1. Current Income Tax	-	-	-
a. Federal	-	-	-
b. Foreign	-	-	-
c. Subtotal	-	-	-
d. Federal income tax on net capital gains	-	-	-
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and foreign income taxes incurred	-	-	-

Notes to Financial Statements

2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	318,723	287,026	31,697
2.	Unearned premium reserve			
3.	Policyholder reserves	1,750,000	0	1,750,000
4.	Investments			
5.	Deferred acquisition costs			
6.	Policyholder dividends accrual			
7.	Fixed assets	906,149	870,321	35,828
8.	Compensation and benefits accrual	58,757	91,697	(32,940)
9.	Pension accrual			
10.	Receivables – nonadmitted	510,778	2,121,899	(1,611,121)
11.	Net operating loss carry-forward	7,028,143	1,764,126	5,264,017
12.	Tax credit carry-forward			
13.	Other (including items < 5% of total ordinary tax assets)	1,561,247	1,560,372	875
99.	Subtotal	12,133,797	6,695,441	5,438,356
b.	Statutory valuation allowance adjustment	12,133,797	6,695,441	5,438,356
c.	Nonadmitted			
d.	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)			
e.	Capital:			
1.	Investments			
2.	Net capital loss carry-forward			
3.	Real estate			
4.	Other (including items < 5% of total capital tax assets)			
99.	Subtotal			
f.	Statutory valuation allowance adjustment			
g.	Nonadmitted			
h.	Admitted capital deferred tax assets (2e99 – 2f – 2g)			
i.	Admitted deferred tax assets (2d + 2h)			
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Investments			
2.	Fixed assets			
3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items < 5% of total ordinary tax liabilities)			
99.	Subtotal			
b.	Capital:			
1.	Investments			
2.	Real estate			
3.	Other (including items < 5% of total capital tax liabilities)			
99.	Subtotal			
c.	Deferred tax liabilities (3a99 + 3b99)			
4.	Net deferred tax assets/liabilities (2i – 3c)			

D. Significant book to tax adjustments were the following:

The provision for federal income taxes incurred as different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Description	Amount	Tax Effect @ 35%	Effective Tax Rate
Income before taxes	(20,163,755)	(5,307,314)	35.00%
DRD deduction and tax-exempt interest, net	-	-	0.00%
Prior year underaccrual/(overaccrual)	-	-	0.00%
Change in nonadmitted assets	4,603,203	1,611,121	-7.99%
Meals and entertainment	21,719	7,602	-0.04%
Change in valuation allowance	15,538,160	5,438,356	-26.97%
Other	673	236	0.00%
Total	-	-	0.00%
Federal income taxes incurred expense/(benefit)		-	0.00%
Tax on capital gains		-	0.00%
Change in net deferred income tax charge/(benefit)		-	0.00%
Total statutory income taxes		-	0.00%

Notes to Financial Statements

E. Other Disclosures:

1. As of December 31, 2012, the Company has \$20.1M of net operating loss carryforwards.
2. The following are income tax expense for 2012 and 2011 that is available for recoupment in the event of future net losses:

2012	\$-
2011	\$-

3. The Company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

DC Chartered Health Plan, Inc., is included in a consolidated federal income tax return with its parent company DC Healthcare Systems, Inc. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity that is a party to the consolidation.

2. The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit given for any net operating losses or other items utilized in the consolidated tax return.

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

A. – C.

Chartered is a wholly-owned subsidiary of DC Healthcare Systems, Inc. (DCHSI). All outstanding shares of Chartered are owned by the parent company, DCHSI, a holding company domiciled in the District of Columbia. Chartered holds no assets or shares of stock of DCHSI.

- D. Chartered had no amounts due from or to related parties originating from activities in the normal course of business for the years ended December 31. Chartered bills all related party entities for any and all amounts owed to the Company excluding amounts due under the Inter-Company Tax Agreement Memorandum of Understanding at the end of each quarter. Billed amounts are due within 60 days of the billed date. Chartered bills the parent company, DCHSI, for any and all inter-company tax receivables resulting from the Inter-Company Tax Agreement Memorandum of Understanding on a semi-annual basis as of June 30 and December 31 of each year. Under the agreement, DCHSI is required to remit payment to the Company on these billed amounts within 60 days of the billed date. Any amounts not settled within these dates are nonadmitted.

At December 31, 2012 due to/from balances in the amount of \$8,427 with DCHSI were written off as bad debt expense.

- E. There are no guarantees that exist with affiliates or non-affiliates that would expose the Company's assets or liabilities.

F. Office Lease Agreement

On August 8, 2003, Chartered entered into a lease agreement for office space at 1025 15th Street NW, Washington, DC to house its headquarters in a building owned by DCHSI. The lease is a triple net lease for approximately 32,660 square feet of space at \$25 per square foot. It has a term of 10 years at an annual payment rate of \$816,500, plus a 2.5% annual increase on the base rent. The lease commenced July 1, 2004.

- G. Chartered is a wholly owned subsidiary of DCHSI.

- H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.

- I. Investment in SCA – None

- J. Investment in impaired SCA – None

- K. Investment in Foreign Insurance Subsidiary – None

- L. Investments in Downstream Noninsurance Holding Company – None

11. Debt

- A. Outstanding Debt – None

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

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

- A. Defined Benefit Plan – None

Notes to Financial Statements

B. Defined Contribution Plan

Chartered adopted a 401(k) Plan for its employees in April 2000. Employees are eligible to participate in the Plan if they are at least 21 years of age and have worked 90 days or longer at Chartered. Employees may contribute a certain percentage of eligible salary on a pre-tax basis. In 2004, Chartered decided to offer its employees a discretionary matching contribution up to 12% of each employee 401(k) contribution amount. Chartered contributed \$30,388 to the Plan for the year ended December 31, 2012.

C. Multi-Employer Plan – None

D. Consolidated/Holding Company Plans – None

E. Post-Employment Benefits and Compensated Absences – None

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

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

1. Chartered has 1,000 shares of common stock issued and outstanding at December 31, 2012 with a par value of \$0.10 each.
2. Chartered has not issued any preferred stock.
3. Chartered has no dividend restrictions other than imposed by DISB statutes.
4. DCCHP did not declare or pay dividends during 2012.
5. The portion of the Company's profits that may be paid as ordinary dividends to stockholders is \$0.
6. There were no restrictions placed on the Chartered's surplus.
7. There have been no advances to surplus.
8. Chartered has no stock held for special purposes.
9. Chartered had no changes in the balance of special surplus funds from the prior year.
10. Unassigned funds (surplus) were increases as follows: None
11. Chartered did not have any surplus notes issued or outstanding as of December 31, 2012.
12. No quasi-reorganizations have taken place as of December 31, 2012.
13. No quasi-reorganizations have taken place as of December 31, 2012.

14. Contingencies

A. Contingent Commitments

In the third quarter of 2008, Chartered executed a co-guarantor agreement with its parent company, DCHSI wherein the Chartered guaranteed a \$13,333,567 long term Bank Loan Payable (Loan). Chartered, DCHSI, and Cardinal Bank, an operating unit of Cardinal Financial Corporation, (NASDAQ: CFNL) executed an agreement under which Chartered serves as a co-guarantor on the loan and to collateralize the loan with specific securities currently held by Chartered.

The Loan originated from the settlement and dispute resolution agreement for contractual disputes with the Office of Attorney General for the District of Columbia, which required DCHSI to pay \$13,333,567. DCHSI financed the settlement payment through a \$13,138,558 long term Bank Loan Payable. Payments of interest only on the outstanding principal balance are due monthly through November 10, 2012, thereafter, payments of principal and interest will continue monthly through November 10, 2018, based on a 25 year amortization schedule. Interest is calculated at an annual fixed rate of 5.65% for the first five years, thereafter adjusting to a rate equal to the Federal Home Loan Bank 5 year Rate plus 1.50%. Chartered and the owner of DCHSI are co-guarantors of the loan.

Pursuant to the Loan, Chartered is required to pledge investments in the amount of \$13,333,567 as collateral for the Loan. In the event that DCHSI defaults on or is not able to meet its obligations under the provisions of the Loan, the owner of DCHSI has executed an Indemnification Agreement to irrevocably and unconditionally hold Chartered harmless and indemnify Chartered for any monies that Chartered is or may be obligated to pay under the guaranty agreement and pledge and security agreement, including but not limited to any liquidation of the pledged collateral.

Management concluded that the \$13,789,651 pledged investment is an admitted asset under Statement of Statutory Accounting Principles 91R, Accounting for Servicing of Financial Assets and Extinguishment of Liabilities (SSAP 91R), paragraph No. 14, Secured Borrowings and Collateral, and Interpretation 01-31, Assets Pledged as Collateral (INT-01-31). Management communicated with the Department of Insurance, Securities and Banking of the District of Columbia which determined that the pledged investments, referred to above, should be classified as admitted assets. Accordingly, the \$13,789,651 of pledged investments is

Notes to Financial Statements

included as certificates of deposit, pledged in the accompanying statements of admitted assets, liabilities, and capital and surplus at December 31, 2012.

Effective April 12, 2012 Cardinal Bank, an operating unit of Cardinal Financial Corporation executed a Modification Agreement to a certain "Pledge, Assignment and Security Agreement dated October 10, 2008. The Modification Agreement is between DC Healthcare Systems, Inc.; Jeffrey E. Thompson and DC Chartered Health Plan, Inc. wherein on the effective date, the Lender, Cardinal Bank, "releases and discharges DC Chartered Health from its obligation under the Guaranty".

The Modification Agreement releases Chartered as a guarantor on a loan between Cardinal Bank and the parent holding company DCHSI. This issue relates directly to new accounting guidance that requires a reporting entity to book a liability for any guarantees made on behalf of a parent entity.

In addition to the Settlement Agreement, DCHSI, Chartered, and the owner of DCHSI entered into a Letter Agreement (Agreement) with the District of Columbia that requires DCHSI, Chartered, and the owner of DCHSI to make contributions to the District of Columbia Department of Health's Immunization Program and several other not-for-profit organizations, including the District of Columbia Public Education Fund, of approximately \$1,050,000 each year for a period of five years beginning January 1, 2009. Under the Agreement, these contributions will be made subject to the following conditions being met:

- (1) The funds received by the various organizations from the previous year were used for the purposes outlined in the Agreement,
- (2) The submission of a report that demonstrates that the funds were expended in compliance with the Agreement, and
- (3) Chartered and DCHSI are able to maintain "normal operations" during that year.

Therefore, if the District fails to use the funds provided as required, the District is unable to account for related expenditures, or either Chartered or DCHSI suffer adverse financial circumstances, the commitments become void or are subject to renegotiation. Management believes that there is more than a remote likelihood that the above mentioned conditions will not be met as of December 31, 2012, and accordingly has not accrued a liability. Chartered will record the expense in the period in which the payments are made.

B. Assessments – None

C. Gain Contingencies – None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – None

E. All Other Contingencies – None

15. Leases

A. Lessee Operating Lease

- (1) Chartered is obligated under several non-cancelable operating leases for office space and office equipment. Total rent expense was \$1,339,771 and \$1,239,438 for the years ended December 31, 2012 and 2011, respectively.
- (2) At December 31, 2012, the minimum aggregate rental commitments are as follows:

2013	\$1,007,266
2014	\$ 509,851
2015	\$0
2016	\$0
2017	\$0
2018	\$0
Thereafter	\$0

- (3) The Company is not involved in any material sales-leaseback transactions.

B. Lessor Leases – None

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

None

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

A. Transfers of Receivables reported as Sales – None

B. Transfer and Servicing of Financial Assets – None

C. Wash Sales – None

Notes to Financial Statements

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

- A. ASO Plans – None
- B. ASC Plans – None
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – None

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

None

20. Fair Value Measurements

- A. Fair Market Value at Reporting Date
 - 1. Fair Value Measurements at Reporting Date – None
 - 2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None
 - 3. The Company does not have any securities valued at fair value.
 - 4. The Company has not valued any securities at a Level 3.
 - 5. Derivative assets and liabilities – None
- B. Fair Value information under SSAP No. 100 combined with Fair Value information Under Other Accounting Pronouncements – None
- C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$13,479,363	\$13,479,363	\$0	\$13,479,363	\$0	\$0
Short-term Investments	\$ 809,524	\$ 809,524	\$0	\$ 809,524	\$0	\$0
Cash Equivalents	\$10,225,639	\$10,225,639	\$0	\$10,225,639	\$0	\$0

- D. Not Practicable to Estimate Fair Value – None

21. Other Items

- A. Extraordinary Items – None
- B. Troubled Debt Restructuring – None
- C. Other Disclosures – None
- D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollectible Premium Balances, Bills Receivable for Premiums, and Amounts Due from Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rates Contracts – None
- E. Business Interruption Insurance Recoveries – None
- F. State Transferable and Non-transferable Tax Credits – None
- G. Subprime-Mortgage-Related Risk Exposure – None
- H. Retained Assets – None

22. Events Subsequent

Type I – Recognized Subsequent Events

Subsequent events have been considered through 4/11/2013 for the statutory statement issued on December 31, 2012.

None

Type II – Nonrecognized Subsequent Events

Subsequent events have been considered through 4/11/2013 for the statutory statement issued on December 31, 2012.

Notes to Financial Statements

The following subsequent events have occurred:

- On February 8, 2013, the Company entered into an Asset Purchase Agreement with AmeriHealth District of Columbia, Inc. for the sale of certain assets of the Company. The sale is anticipated to close on or about April 30, 2013.
- As discussed in Footnote 24, Chartered has and filed an amended Retrospective Pharmacy Claim with the District's Office of Contracting and Procurement (OCP) on February 22, 2013.
- Similarly Chartered, filed a claim with the OCP on February 22, 2013 alleging the actuarial inadequacy of rates paid by the District in the District's Alliance program. The Company is asking for \$9 million in additional payment from the District for this claim.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

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

Yes () No (X)

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

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (X)

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

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) The estimated amount of the aggregate reduction in surplus, of termination of ALL reinsurance agreements, by either party, as of the date of this statement is zero.

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

Yes () No (X)

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. – C.

As of December 31, 2012, the Company has recorded an Accrued Retrospective Premium Receivable net amount of \$32 million for the period of August 2010 – April 2012 related to the Medicaid contract.

On April 10, 2012, the Company filed a claim with the District's Contracts Appeals Board in the amount of \$25.8 million for the 2010-2011 Contract for pharmacy losses incurred from August 1, 2010 – April 30, 2012 under the Medicaid contract, following denial of the claim by DHCF. The Company has requested that the District review that the District review the contract's pharmacy rates and make a rate adjustment for the 2010-2011 contract year based on rates management determined were actuarially unsound. During the year ended December 31, 2012, the Company revised this calculation based upon the results of a limited scope engagement performed by the DISB. The Company now estimates its losses from August 1, 2010 to April 30, 2012 to be \$51 million and filed a claim for

Notes to Financial Statements

this amount with the District's Office of Contracting and Procurement (OCP) on February 22, 2013. OCP has 120 days to make a determination or to simply offer no decision. If the claim is denied by OCP, the Company has the right to appeal the decision to the Districts' Contract Appeals Board (CAB).

Amounts recorded represent management's best estimate of the receivable after considering all potential outcomes of litigation. Resolution of this claim could significantly differ from management's estimate.

The Company similarly filed a claim with the OCP on February 22, 2013 alleging the actuarial inadequacy of rates paid by the District in the District's Alliance program. The Company is asking for \$9 million in additional payment from the District for this claim.

D. Not Applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2011 were \$43,225,339 for unpaid claims and \$1,275,722 for unpaid claims adjustment expenses. As of December 31, 2012, \$40,966,398 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Therefore there has been a \$3,534,663 favorable prior year development since December 31, 2011 to December 31, 2012. There are no additional reserves remaining for prior years due to the short-term nature of the Company's Medicaid line of business. The decrease is general the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes know regarding individual claims.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

The Company has not recorded any pharmacy rebate receivables from its Pharmacy Benefit Manager, Caremark, as of December 31, 2012.

B. Risk Sharing Receivables

None

29. Participating Policies

None

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	(1) \$ 5,000,000
2. Date of the most recent evaluation of this liability	<u>04/16/2013</u>
3. Was anticipated investment income utilized in the calculation? (Yes / No)	<u>No</u>

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Dist. of Columbia
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/31/2008
- 3.4 By what department or departments?
DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE AND SECURITIES REGULATION
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[X] No[] N/A[]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

1 Nationality	2 Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Brown Smith Wallace, LLC, 1050 N. Lindbergh Blvd., St. Louis, MO 63132
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[] No[X] N/A[]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
On October 19, 2012 the Department of Insurance, Securities and Banking placed Chartered into court receivership a a result of the voluntary receivership action approved by the Company's Board of Directors and authorized by its owner. As a result of the receivership there is no longer a Board of Directors or Audit Committee.
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
OPTUMINSIGHT, 12125 TECHNOLOGY DRIVE, EDEN PRAIRIE, MN

GENERAL INTERROGATORIES (Continued)

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

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

BOARD OF DIRECTORS

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

FINANCIAL

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

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]
 24.02 If no, give full and complete information, relating thereto
 Certain CDARs are held as pledged assets
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

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

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Pledged as collateral \$ 13,789,651
- 25.26 Placed under option agreements \$ 0
- 25.27 Letter stock or securities restricted as to sale \$ 0
- 25.28 On deposit with state or other regulatory body \$ 317,000
- 25.29 Other \$ 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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

1 Name of Custodian(s)	2 Custodian's Address
CARDINAL BANK	8270 GREENSBORO DR. STE 500, MCLEAN, VA 22102
URBAN TRUST BANK	1350 I St. NW, WASHINGTON, DC 20005
PREMIER BANK	1501 K St., N.W., WASHINGTON, DC 20005

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES (Continued)

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	13,479,363	13,479,363	
30.2 Preferred stocks			
30.3 Totals	13,479,363	13,479,363	

30.4 Describe the sources or methods utilized in determining the fair values
All bonds are CDs and CDARs carried at cost which is obtained from the bank statements.

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[] No[X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[] No[] N/A[X]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
- 32.2 If no, list exceptions:

OTHER

- 33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid

- 34.1 Amount of payments for legal expenses, if any? \$ 3,110,645
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
EPSTEIN BECKER & GREEN, P.C.	977,678

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	398,256,303	383,743,178
2.2 Premium Denominator	398,256,303	383,743,178
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	52,889,416	43,000,000
2.5 Reserve Denominator	52,889,416	43,000,000
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No[X] N/A []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No []
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 525,000
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
PROVIDERS' AGREEMENT CONTAINS HOLD HARMLESS CLAUSE. DC CHARTERED HEALTH PLAN HAS ACQUIRED INSOLVENCY PROTECTION AS PART OF THE STOP LOSS INSURANCE COVERAGE
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 4,579
- 8.2 Number of providers at end of reporting year 5,682
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No[X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 0
- 10.22 Amount actually paid for year bonuses \$ 0
- 10.23 Maximum amount payable withholds \$ 0
- 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No[X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
- 11.14 A Mixed Model (combination of above)? Yes [] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such net worth.
DISTRICT OF COLUMBIA
- 11.4 If yes, show the amount required. \$ 29,465,260
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No[X]
- 11.6 If the amount is calculated, show the calculation.
200% of Authorized Control Level
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
DISTRICT OF COLUMBIA

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No[X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No[X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ 0

FIVE-YEAR HISTORICAL DATA

	1 2012	2 2011	3 2010	4 2009	5 2008
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	56,100,345	57,844,792	59,655,685	41,461,571	44,409,522
2. TOTAL Liabilities (Page 3, Line 24)	65,711,451	51,895,346	42,211,038	27,701,886	24,685,162
3. Statutory surplus	29,465,260	28,384,620	5,892,563	4,590,724	3,619,841
4. TOTAL Capital and Surplus (Page 3, Line 33)	(9,611,106)	5,949,445	17,444,647	13,759,685	19,724,361
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	398,256,303	383,743,178	296,733,067	229,536,215	180,992,061
6. TOTAL Medical and Hospital Expenses (Line 18)	359,550,135	346,596,401	265,859,387	214,573,261	151,767,551
7. Claims adjustment expenses (Line 20)	13,369,721	12,344,021	8,028,360	6,903,631	4,729,811
8. TOTAL Administrative Expenses (Line 21)	34,321,277	26,915,784	21,443,322	18,047,136	19,269,063
9. Net underwriting gain (loss) (Line 24)	(13,984,830)	(2,113,027)	1,401,998	(9,987,812)	5,225,636
10. Net investment gain (loss) (Line 27)	79,835	271,136	766,821	1,081,313	1,330,369
11. TOTAL Other Income (Lines 28 plus 29)	(6,258,761)	(7,512,324)		154,829	
12. Net income or (loss) (Line 32)	(20,163,755)	(9,354,215)	1,208,104	(5,469,949)	4,193,095
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(15,627,225)	(8,714,165)	3,257,068	2,172,282	6,328,608
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	(9,611,106)	5,949,445	17,444,647	13,759,685	19,724,361
15. Authorized control level risk-based capital	14,732,630	14,192,310	10,894,674	9,053,105	6,279,783
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	109,373	110,550	110,184	88,407	80,923
17. TOTAL Members Months (Column 6, Line 7)	1,315,078	1,325,230	1,216,493	1,025,122	846,705
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	90.3	90.3	89.6	93.5	83.9
20. Cost containment expenses	1.8	1.9	2.3	2.3	1.9
21. Other claims adjustment expenses	1.5	1.3	0.4	0.7	0.7
22. TOTAL Underwriting Deductions (Line 23)	103.5	100.6	99.5	104.4	97.1
23. TOTAL Underwriting Gain (Loss) (Line 24)	(3.5)	(0.6)	0.5	(4.4)	2.9
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	39,690,676	33,588,164	29,619,354	23,563,824	15,593,835
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	39,795,081	26,738,549	21,730,893	21,254,320	20,181,467
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL investment in parent included in Lines 26 to 31 above					

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

If no, please explain::



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: DC Chartered Health Plan 2. LOCATION:
BUSINESS IN THE STATE OF DISTRICT OF COLUMBIA DURING THE YEAR

NAIC Group Code

NAIC Company Code 95748

	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							
TOTAL Members at end of:										
1. Prior Year	110,550		12,442						98,108	
2. First Quarter	112,049		11,383						100,666	
3. Second Quarter	108,714		8,870						99,844	
4. Third Quarter	108,613		8,890						99,723	
5. Current Year	109,373		7,974						101,399	
6. Current Year Member Months	1,315,078		115,178						1,199,900	
TOTAL Member Ambulatory Encounters for Year:										
7. Physician	527,445		59,432						468,013	
8. Non-Physician	224,871		26,890						197,981	
9. TOTAL	752,316		86,322						665,994	
10. Hospital Patient Days Incurred	35,152		1,698						33,454	
11. Number of Inpatient Admissions	9,081		389						8,692	
12. Health Premiums Written (b)	399,170,681		21,486,387						377,684,294	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	399,170,681		21,486,387						377,684,294	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	352,300,359		20,550,243						331,750,116	
18. Amount Incurred for Provision of Health Care Services	360,169,355		20,352,039						339,817,316	

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



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

NAIC Group Code

BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR

NAIC Company Code 95748

	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							
TOTAL Members at end of:										
1. Prior Year	110,550		12,442						98,108	
2. First Quarter	112,049		11,383						100,666	
3. Second Quarter	108,714		8,870						99,844	
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13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	399,170,681		21,486,387						377,684,294	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	352,300,359		20,550,243						331,750,116	
18. Amount Incurred for Provision of Health Care Services	360,169,355		20,352,039						339,817,316	

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

29 Grand Total

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Domiciliary Jurisdiction	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
NONE											
0999999 Total (Sum of 0399999 and 0699999)											

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
0799999 Total - Life and Annuity						
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
27855	36-2781080	10/01/2012	ZURICH AMER INS CO OF IL	IL	351,586	
1199999 Subtotal - Accident and Health - Non-Affiliates - U.S. Non-Affiliates					351,586	
1399999 Total - Accident and Health - Non-Affiliates					351,586	
1499999 Total - Accident and Health					351,586	
1599999 Total U.S. (Sum of 0199999, 0499999, 0899999 and 1199999)					351,586	
1699999 Total Non-U.S. (Sum of 0299999, 0599999, 0999999 and 1299999)						
1799999 Total (Sum of 0799999 and 1499999)					351,586	

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Type	7 Premiums	8 Unearned Premiums (estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates												
27855	36-2781080	10/01/2012	ZURICH AMER INS CO OF IL	IL	SSL/L/G	914,378						
0499999 Subtotal - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates						914,378						
0699999 Total - General Account - Authorized - Non-Affiliates						914,378						
0799999 Total - General Account Authorized						914,378						
1499999 Total - General Account - Unauthorized												
2199999 Total - General Account - Certified												
2299999 Total - General Account - Authorized, Unauthorized and Certified						914,378						
2999999 Total - Separate Accounts - Authorized												
3699999 Total - Separate Accounts - Unauthorized												
4299999 Total - Separate Accounts - Certified - Non-Affiliates												
4399999 Total - Separate Accounts - Certified												
4499999 Total - Separate Accounts - Authorized, Unauthorized and Certified												
4599999 Total U.S. (Sum of 0199999, 0499999, 0899999, 1199999, 1599993, 1899999, 2399999, 2699999, 3099999, 3399999, 3799999 and 4099999)						914,378						
4699999 Total Non-U.S. (Sum of 0299999, 0599999, 0999999, 1299999, 1699999, 1999999, 2499999, 2799999, 3199999, 3499999, 3899999 and 4199999)												
4799999 Total (Sum of 2299999 and 4499999)						914,378						

33 Schedule S - Part 4 NONE

34 Schedule S - Part 5 NONE

35 Schedule S - Part 5 (continued) NONE

SCHEDULE S - PART 6
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2012	2 2011	3 2010	4 2009	5 2008
A. OPERATIONS ITEMS					
1. Premiums				123	192
2. Title XVIII-Medicare					
3. Title XIX - Medicaid	914	1,399	1,491	1,155	854
4. Commissions and reinsurance expense allowance					
5. TOTAL Hospital and Medical Expenses	619	702	806		
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable		225			
8. Reinsurance recoverable on paid losses	352	246	158	211	277
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances due					
11. Unauthorized reinsurance offset					
12. Offset for reinsurance with Certified Reinsurers		X X X	X X X	X X X	X X X
C. UNAUTHORIZED REINSURANCE					
(DEPOSITS BY AND FUNDS WITHHELD FROM)					
13. Funds deposited by and withheld from (F)					
14. Letters of credit (L)					
15. Trust agreements (T)					
16. Other (O)					
D. REINSURANCE WITH CERTIFIED REINSURERS					
(DEPOSITS BY AND FUNDS WITHHELD FROM)					
17. Multiple Beneficiary Trust		X X X	X X X	X X X	X X X
18. Funds deposited by and withheld from (F)		X X X	X X X	X X X	X X X
19. Letters of credit (L)		X X X	X X X	X X X	X X X
20. Trust agreements (T)		X X X	X X X	X X X	X X X
21. Other (O)		X X X	X X X	X X X	X X X

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	18,300,987		18,300,987
2. Accident and health premiums due and unpaid (Line 15)	37,164,863		37,164,863
3. Amounts recoverable from reinsurers (Line 16.1)	351,586	(351,586)	
4. Net credit for ceded reinsurance	X X X	351,586	351,586
5. All other admitted assets (Balance)	282,910		282,910
6. TOTAL Assets (Line 28)	56,100,345		56,100,345
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	47,889,416		47,889,416
8. Accrued medical incentive pool and bonus payments (Line 2)			
9. Premiums received in advance (Line 8)			
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			
11. Reinsurance in unauthorized companies (Line 20 minus inset amount)			
12. Reinsurance with Certified Reinsurers (Line 20 inset amount)			
13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount)			
14. All other liabilities (Balance)	17,822,035		17,822,035
15. TOTAL Liabilities (Line 24)	65,711,451		65,711,451
16. TOTAL Capital and Surplus (Line 33)	(9,611,106)	X X X	(9,611,106)
17. TOTAL Liabilities, Capital and Surplus (Line 34)	56,100,345		56,100,345
NET CREDIT FOR CEDED REINSURANCE			
18. Claims unpaid			
19. Accrued medical incentive pool			
20. Premiums received in advance			
21. Reinsurance recoverable on paid losses	351,586		
22. Other ceded reinsurance recoverables			
23. TOTAL Ceded Reinsurance Recoverables	351,586		
24. Premiums receivable			
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers			
26. Unauthorized reinsurance			
27. Reinsurance with Certified Reinsurers			
28. Funds held under reinsurance treaties with Certified Reinsurers			
29. Other ceded reinsurance payables/offsets			
30. TOTAL Ceded Reinsurance Payables/Offsets			
31. TOTAL Net Credit for Ceded Reinsurance	351,586		

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

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	L	21,486,387		377,684,294			399,170,681		
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Marianas Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	21,486,387		377,684,294			399,170,681		
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) 1	21,486,387		377,684,294			399,170,681		
DETAILS OF WRITE-INS									
5801.	X X X								
5802.	X X X								
5803.	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page ...	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

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

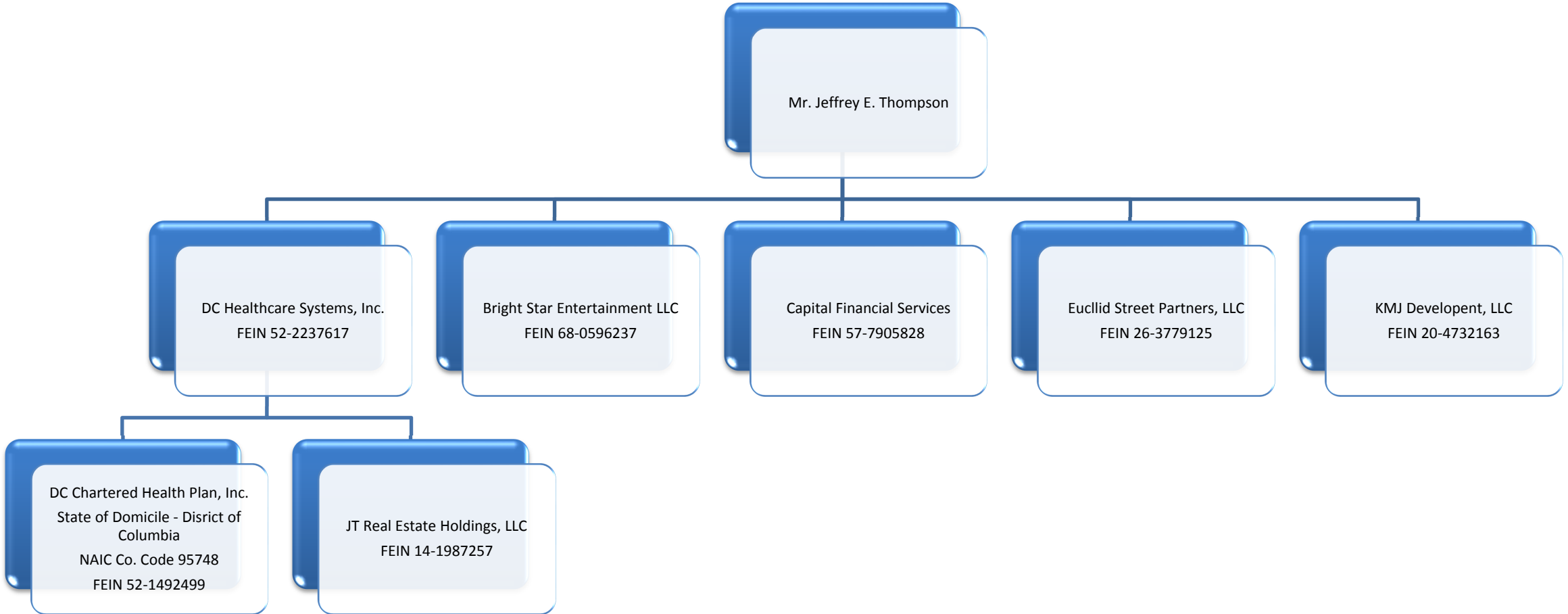
(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: Situs of the Contract

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

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

NONE

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



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	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
0		0					JEFFREY EARL THOMPSON	DC	UIP	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		95748	52-1492499				DC CHARTERED HEALTH PLAN INC	DC		DC HEALTHCARE SYSTEMS	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	14-1987257				JT Real Estate Holdings, LLC	DC	NIA	DC HEALTHCARE SYSTEMS	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	52-2237617				DC HEALTHCARE SYSTEMS	DC	UDP	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	52-1563500				THOMPSON, COBB, BAZILIO & ASSOCIATES, PC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	68-0596237				Bright Star Entertainment LLC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	57-7905828				Capital Financial Services	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	26-3779125				EUCLID STREET PARTNERS, LLC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	20-4732163				KMJ Development, LLC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	

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Asterisk	Explanation
0000001	Footnote

SCHEDULE Y

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
.. 95748 ..	.. 52-1492499 52-2237617 ..	DC CHARTERED HLTH PLAN INC DC HEALTHCARE SYSTEMS INC .....	.....	.....	.....	.....	(1,098,456) 1,098,456	.....	.....	.....	(1,098,456) 1,098,456	.....
9999999 Control Totals .....			.....	.....	.....	.....	.....	.....	X X X	.....	.....	.....

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Response

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

MARCH FILING

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

APRIL FILING

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

JUNE FILING

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

AUGUST FILING

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

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

MARCH FILING

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

APRIL FILING

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

AUGUST FILING

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

Explanations:

1. DISB has approved an extension for filing - new deadline is April 17
2. DISB has approved an extension for filing - new deadline is April 17
3. DISB has approved an extension for filing - new deadline is April 17
4. DISB has approved an extension for filing - new deadline is April 17
5. Company has requested an extension of April 24 - still awaiting approval
6. DISB has approved an extension for filing - new deadline is April 17
7. DISB has approved an extension for filing - new deadline is April 17

Bar Codes:

Medicare Supplement Insurance Experience Exhibit



Health Life Supplement



Health Property / Casualty Supplement



Schedule SIS



Actuarial Opinion on Participating and Non-Participating Policies



Statement of Non-Guaranteed Elements for Exhibit 5



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

Medicare Part D Coverage Supplement



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



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



Approval for Relief related to Require. for Audit Committees



LTC Supplemental Interrogatories



Analysis of Annuity Operations by Lines of Business



Health Property/Casualty Supplement - Insurance Expense Exhibit



Supplemental Health Care Exhibit



Supplemental Health Care Exhibit's Expense Allocation Report



Management's Report of Internal Control over Financial Reporting



OVERFLOW PAGE FOR WRITE-INS

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1-2)	Net Admitted Assets
2504. ADVANCES - EMPLOYEE	250	250		
2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596)	250	250		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1	2	3
	Uncovered	Total	Total
2904. Goodwill impairment			(1,460,583)
2905. Other Miscellaneous Income		31,807	101,949
2906. Write-off Notes Receivable and AR-Other		(282,140)	
2997. Summary of remaining write-ins for Line 29 (Lines 2904 through 2996)		(250,333)	(1,358,634)

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. ADVANCES - EMPLOYEE	250	21,797	21,547
2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596)	250	21,797	21,547

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1	2	3	4	5	6
	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage
1. Bonds:						
1.1 U.S. treasury securities						
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies						
1.22 Issued by U.S. government sponsored agencies						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations						
1.43 Revenue and assessment obligations						
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or Guaranteed by GNMA						
1.512 Issued or Guaranteed by FNMA and FHLMC						
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA						
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	13,479,363	73.654	13,479,363		13,479,363	73.654
2.2 Unaffiliated Non-U.S. securities (including Canada)						
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated						
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt)						
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities						
9. Securities Lending (Line 10, Asset Page reinvested collateral)				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments	4,821,623	26.346	4,821,623		4,821,623	26.346
11. Other invested assets						
12. Total invested assets	18,300,987	100.000	18,300,987		18,300,987	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

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

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

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

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

1.	Book/adjusted carrying value, December 31 of prior year	201,882
2.	Cost of acquired:	
2.1	Actual cost at time of acquisition (Part 2, Column 8)	
2.2	Additional investment made after acquisition (Part 2, Column 9)	
3.	Capitalized deferred interest and other:	
3.1	Totals, Part 1, Column 16	
3.2	Totals, Part 3, Column 12	
4.	Accrual of discount	
5.	Unrealized valuation increase (decrease):	
5.1	Totals, Part 1, Column 13	
5.2	Totals, Part 3, Column 9	
6.	Total gain (loss) on disposals, Part 3, Column 19	(188,599)
7.	Deduct amounts received on disposals, Part 3, Column 16	13,283
8.	Deduct amortization of premium and depreciation	
9.	Total foreign exchange change in book/adjusted carrying value:	
9.1	Totals, Part 1, Column 17	
9.2	Totals, Part 3, Column 14	
10.	Deduct current year's other than temporary impairment recognized:	
10.1	Totals, Part 1, Column 15	
10.2	Totals, Part 3, Column 11	
11.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	
12.	Deduct total nonadmitted amounts	
13.	Statement value at end of current period (Line 11 minus Line 12)	

SCHEDULE D - VERIFICATION BETWEEN YEARS**Bonds and Stocks**

1.	Book/adjusted carrying value, December 31 of prior year	15,025,957
2.	Cost of bonds and stocks acquired, Part 3, Column 7	3,642,667
3.	Accrual of Discount	
4.	Unrealized valuation increase (decrease):	
4.1	Part 1, Column 12	
4.2	Part 2, Section 1, Column 15	
4.3	Part 2, Section 2, Column 13	
4.4	Part 4, Column 11	
5.	Total gain (loss) on disposals, Part 4, Column 19	
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7	5,189,260
7.	Deduct amortization of premium	
8.	Total foreign exchange change in book/adjusted carrying value:	
8.1	Part 1, Column 15	
8.2	Part 2, Section 1, Column 19	
8.3	Part 2, Section 2, Column 16	
8.4	Part 4, Column 15	
9.	Deduct current year's other than temporary impairment recognized:	
9.1	Part 1, Column 14	
9.2	Part 2, Section 1, Column 17	
9.3	Part 2, Section 2, Column 14	
9.4	Part 4, Column 13	
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	13,479,363
11.	Deduct total nonadmitted amounts	
12.	Statement value at end of current period (Line 10 minus Line 11)	13,479,363

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1.	United States .....	.....	.....	.....
	2.	Canada .....	.....	.....	.....
	3.	Other Countries .....	.....	.....	.....
	4.	Totals .....	.....	.....	.....
U.S. States, Territories and Possessions (Direct and guaranteed)	5.	Totals .....	.....	.....	.....
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6.	Totals .....	.....	.....	.....
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7.	Totals .....	.....	.....	.....
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8.	United States	13,479,363	13,479,363	13,479,363
	9.	Canada .....	.....	.....	.....
	10.	Other Countries .....	.....	.....	.....
	11.	Totals	13,479,363	13,479,363	13,479,363
Parent, Subsidiaries and Affiliates	12.	Totals .....	.....	.....	.....
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14.	United States .....	.....	.....	.....
	15.	Canada .....	.....	.....	.....
	16.	Other Countries .....	.....	.....	.....
	17.	Totals .....	.....	.....	.....
Parent, Subsidiaries and Affiliates	18.	Totals .....	.....	.....	.....
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20.	United States .....	.....	.....	.....
	21.	Canada .....	.....	.....	.....
	22.	Other Countries .....	.....	.....	.....
	23.	Totals .....	.....	.....	.....
Parent, Subsidiaries and Affiliates	24.	Totals .....	.....	.....	.....
TOTALS					
	25.	Total Common Stocks .....	.....	.....	.....
	26.	Total Stocks .....	.....	.....	.....
	27.	Total Bonds and Stocks	13,479,363	13,479,363	13,479,363

SCHEDULE D - PART 1A - SECTION 1

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

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating Per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1	790,288					790,288	5.53			790,288	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 TOTALS	790,288					790,288	5.53			790,288	
2. All Other Governments											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 TOTALS											
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 TOTALS											
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 TOTALS											
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 TOTALS											

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

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

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1	6,711,599	6,787,000				13,498,599	94.47	15,025,957	100.00	13,498,599	
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 TOTALS	6,711,599	6,787,000				13,498,599	94.47	15,025,957	100.00	13,498,599	
7. Hybrid Securities											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 TOTALS											
8. Parent, Subsidiaries and Affiliates											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 TOTALS											

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

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

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 Class 1	(d) 7,501,887	6,787,000				14,288,887	100.00	XXX	XXX	14,288,887	
9.2 Class 2	(d)							XXX	XXX		
9.3 Class 3	(d)							XXX	XXX		
9.4 Class 4	(d)							XXX	XXX		
9.5 Class 5	(d)					(c)		XXX	XXX		
9.6 Class 6	(d)					(c)		XXX	XXX		
9.7 TOTALS	7,501,887	6,787,000				(b) 14,288,887	100.00	XXX	XXX	14,288,887	
9.8 Line 9.7 as a % of Column 6	52.50	47.50				100.00	XXX	XXX	XXX	100.00	
10. Total Bonds Prior Year											
10.1 Class 1	4,689,260	10,336,697				XXX	XXX	15,025,957	100.00	15,025,957	
10.2 Class 2						XXX	XXX				
10.3 Class 3						XXX	XXX				
10.4 Class 4						XXX	XXX				
10.5 Class 5						XXX	XXX	(c)			
10.6 Class 6						XXX	XXX	(c)			
10.7 TOTALS	4,689,260	10,336,697				XXX	XXX	(b) 15,025,957	100.00	15,025,957	
10.8 Line 10.7 as a % of Col. 8	31.21	68.79				XXX	XXX	100.00	XXX	100.00	
11. Total Publicly Traded Bonds											
11.1 Class 1	7,501,887	6,787,000				14,288,887	100.00	15,025,957	100.00	14,288,887	XXX
11.2 Class 2											XXX
11.3 Class 3											XXX
11.4 Class 4											XXX
11.5 Class 5											XXX
11.6 Class 6											XXX
11.7 TOTALS	7,501,887	6,787,000				14,288,887	100.00	15,025,957	100.00	14,288,887	XXX
11.8 Line 11.7 as a % of Col. 6	52.50	47.50				100.00	XXX	XXX	XXX	100.00	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	52.50	47.50				100.00	XXX	XXX	XXX	100.00	XXX
12. Total Privately Placed Bonds											
12.1 Class 1										XXX	
12.2 Class 2										XXX	
12.3 Class 3										XXX	
12.4 Class 4										XXX	
12.5 Class 5										XXX	
12.6 Class 6										XXX	
12.7 TOTALS										XXX	
12.8 Line 12.7 as a % of Col. 6							XXX	XXX	XXX	XXX	
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9							XXX	XXX	XXX	XXX	

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(a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
 (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5* designations and \$.....0 current year, \$.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....809,524; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE D - PART 1A - SECTION 2

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

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
1. U.S. Governments											
1.1 Issuer Obligations	790,288					790,288	5.53			790,288	
1.2 Residential Mortgage-Backed Securities											
1.3 Commercial Mortgage-Backed Securities											
1.4 Other Loan-Backed and Structured Securities											
1.5 Totals	790,288					790,288	5.53			790,288	
2. All Other Governments											
2.1 Issuer Obligations											
2.2 Residential Mortgage-Backed Securities											
2.3 Commercial Mortgage-Backed Securities											
2.4 Other Loan-Backed and Structured Securities											
2.5 Totals											
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations											
3.2 Residential Mortgage-Backed Securities											
3.3 Commercial Mortgage-Backed Securities											
3.4 Other Loan-Backed and Structured Securities											
3.5 Totals											
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations											
4.2 Residential Mortgage-Backed Securities											
4.3 Commercial Mortgage-Backed Securities											
4.4 Other Loan-Backed and Structured Securities											
4.5 Totals											
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Issuer Obligations											
5.2 Residential Mortgage-Backed Securities											
5.3 Commercial Mortgage-Backed Securities											
5.4 Other Loan-Backed and Structured Securities											
5.5 Totals											
6. Industrial and Miscellaneous											
6.1 Issuer Obligations	6,711,599	6,787,000				13,498,599	94.47	15,025,957	100.00	13,498,599	
6.2 Residential Mortgage-Backed Securities											
6.3 Commercial Mortgage-Backed Securities											
6.4 Other Loan-Backed and Structured Securities											
6.5 Totals	6,711,599	6,787,000				13,498,599	94.47	15,025,957	100.00	13,498,599	
7. Hybrid Securities											
7.1 Issuer Obligations											
7.2 Residential Mortgage-Backed Securities											
7.3 Commercial Mortgage-Backed Securities											
7.4 Other Loan-Backed and Structured Securities											
7.5 Totals											
8. Parent, Subsidiaries and Affiliates											
8.1 Issuer Obligations											
8.2 Residential Mortgage-Backed Securities											
8.3 Commercial Mortgage-Backed Securities											
8.4 Other Loan-Backed and Structured Securities											
8.5 Totals											

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

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

	1	2	3	4	5	6	7	8	9	10	11
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.5	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations	7,501,887	6,787,000				14,288,887	100.00	X X X	X X X	14,288,887	
9.2 Residential Mortgage-Backed Securities								X X X	X X X		
9.3 Commercial Mortgage-Backed Securities								X X X	X X X		
9.4 Other Loan-Backed and Structured Securities								X X X	X X X		
9.5 Totals	7,501,887	6,787,000				14,288,887	100.00	X X X	X X X	14,288,887	
9.6 Line 9.5 as a % of Col. 6	52.50	47.50				100.00	X X X	X X X	X X X	100.00	
10. Total Bonds Prior Year											
10.1 Issuer Obligations	4,689,260	10,336,697				X X X	X X X	15,025,957	100.00	15,025,957	
10.2 Residential Mortgage-Backed Securities						X X X	X X X				
10.3 Commercial Mortgage-Backed Securities						X X X	X X X				
10.4 Other Loan-Backed and Structured Securities						X X X	X X X				
10.5 Totals	4,689,260	10,336,697				X X X	X X X	15,025,957	100.00	15,025,957	
10.6 Line 10.5 as a % of Col. 8	31.21	68.79				X X X	X X X	100.00	X X X	100.00	
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	7,501,887	6,787,000				14,288,887	100.00	15,025,957	100.00	14,288,887	X X X
11.2 Residential Mortgage-Backed Securities											X X X
11.3 Commercial Mortgage-Backed Securities											X X X
11.4 Other Loan-Backed and Structured Securities											X X X
11.5 Totals	7,501,887	6,787,000				14,288,887	100.00	15,025,957	100.00	14,288,887	X X X
11.6 Line 11.5 as a % of Col. 6	52.50	47.50				100.00	X X X	X X X	X X X	100.00	X X X
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	52.50	47.50				100.00	X X X	X X X	X X X	100.00	X X X
12. Total Privately Placed Bonds											
12.1 Issuer Obligations										X X X	
12.2 Residential Mortgage-Backed Securities										X X X	
12.3 Commercial Mortgage-Backed Securities										X X X	
12.4 Other Loan-Backed and Structured Securities										X X X	
12.5 Totals										X X X	
12.6 Line 12.5 as a % of Col. 6							X X X	X X X	X X X	X X X	
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9							X X X	X X X	X X X	X X X	

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	836,254	836,254			
2. Cost of short-term investments acquired	2,573,579	2,573,579			
3. Accrual of discount					
4. Unrealized valuation increase (decrease)					
5. Total gain (loss) on disposals					
6. Deduct consideration received on disposals	2,600,309	2,600,309			
7. Deduct amortization of premium					
8. Total foreign exchange change in book/adjusted carrying value					
9. Deduct current year's other than temporary impairment recognized					
10. Book adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	809,524	809,524			
11. Deduct total nonadmitted amounts					
12. Statement value at end of current period (Line 10 minus Line 11)	809,524	809,524			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SI11 Schedule DB Part A Verification NONE

SI11 Schedule DB Part B Verification NONE

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

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

SI14 Schedule DB Verification NONE

SCHEDULE E - VERIFICATION BETWEEN YEARS (Cash Equivalents)

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	19,955,717	19,955,717	
2. Cost of cash equivalents acquired	4,998,854,426	4,998,854,426	
3. Accrual of discount			
4. Unrealized valuation increase (decrease)			
5. Total gain (loss) on disposals			
6. Deduct consideration received on disposals	5,008,584,505	5,008,584,505	
7. Deduct amortization of premium			
8. Total foreign exchange change in book/adjusted carrying value			
9. Deduct current year's other than temporary impairment recognized			
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	10,225,639	10,225,639	
11. Deduct total nonadmitted amounts			
12. Statement value at end of current period (Lines 10 minus 11)	10,225,639	10,225,639	

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

E01 Schedule A - Part 1 Real Estate Owned NONE

E02 Schedule A - Part 2 Real Estate Acquired NONE

E03 Schedule A - Part 3 Real Estate Disposed NONE

E04 Schedule B Part 1 - Mortgage Loans Owned NONE

E05 Schedule B Part 2 - Mortgage Loans Acquired NONE

E06 Schedule B Part 3 - Mortgage Loans Disposed NONE

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

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

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/ Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value						15 Book/ Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A. C. V. (9 + 10 - 11 + 12)	14 Total Foreign Exchange Change in B./A. C. V.						
Collateral Loans - Unaffiliated																			
.....	UNION TEMPLE COMMUNITY DEVELOPMENT CORP	WASHINGTON	DC	PAYMENTS/WRITE-OFF	07/15/2008	09/30/2012	..... 52,022	.....	.....	.....	.....	.....	.....	.....	..... 4,205	.....	..... (47,817)	..... (47,817)	..... 532
.....	UNION TEMPLE COMMUNITY DEVELOPMENT CORP	WASHINGTON	DC	PAYMENTS/WRITE-OFF	04/09/2009	09/30/2012	..... 149,860	.....	.....	.....	.....	.....	.....	.....	..... 9,078	.....	..... (140,782)	..... (140,782)	..... 775
2399999	Subtotal - Collateral Loans - Unaffiliated .....							..... 201,882	.....	.....	.....	.....	.....	.....	..... 13,283	.....	..... (188,599)	..... (188,599)	..... 1,307
3999999	Total - Unaffiliated .....							..... 201,882	.....	.....	.....	.....	.....	.....	..... 13,283	.....	..... (188,599)	..... (188,599)	..... 1,307
4099999	Total - Affiliated .....							.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4199999	Totals .....							..... 201,882	.....	.....	.....	.....	.....	.....	..... 13,283	.....	..... (188,599)	..... (188,599)	..... 1,307

SCHEDULE D - PART 1

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

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 Code	4 F O R E I G N	5 Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of Interest	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date
7799999	Subtotals - Issuer Obligations					13,479,363	X X X	13,479,363	13,479,363	13,479,363					X X X	X X X	X X X	136,847	140,082	X X X	X X X
8399999	Grand Total - Bonds					13,479,363	X X X	13,479,363	13,479,363	13,479,363					X X X	X X X	X X X	136,847	140,082	X X X	X X X

E11 Schedule D - Part 2 Sn 1 Prfrd Stocks Owned NONE

E12 Schedule D - Part 2 Sn 2 Common Stocks Owned NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - Industrial and Miscellaneous (Unaffiliated)								
	FIRST TRUST BANK FTTRBK		01/09/2012	Cardinal Bank	X X X	250,000	250,000.00	10
	BARCLAYS BANK DELAWARE BACR		01/19/2012	Cardinal Bank	X X X	60,000	60,000.00	
	TENNESSE STATE TSTATE		01/20/2012	Cardinal Bank	X X X	250,000	250,000.00	
	MERCANTILE BANK MBWM		02/09/2012	Cardinal Bank	X X X	125,000	125,000.00	
	DORAL BANK DRL		02/17/2012	Cardinal Bank	X X X	250,000	250,000.00	6
	GE CAPITAL RETAIL BANK		04/05/2012	Cardinal Bank	X X X	250,000	250,000.00	
	APPLE BANK FOR SAVINGS APPBNK		04/04/2012	Cardinal Bank	X X X	245,000	245,000.00	
	MARLIN BUSINESS BANK		04/03/2012	Cardinal Bank	X X X	245,000	245,000.00	
	GE CAPITAL BANK		06/20/2012	Cardinal Bank	X X X	248,000	248,000.00	23
	DISCOVERBANK		06/20/2012	Cardinal Bank	X X X	248,000	248,000.00	
	BEAL BANK USA BSVBK		06/27/2012	Cardinal Bank	X X X	248,000	248,000.00	
	WACHOVIA BANK FSB WFC		07/06/2012	Cardinal Bank	X X X	247,667	247,666.50	3,186
	SOVEREIGN BANK NA		10/12/2012	Cardinal Bank	X X X	248,000	248,000.00	5
	LIBERTY BANK NA		10/15/2012	Cardinal Bank	X X X	248,000	248,000.00	
	COMENITY CAPITAL NA		10/17/2012	Cardinal Bank	X X X	230,000	230,000.00	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					3,392,667	3,392,666.50	3,231
8399997	Subtotal - Bonds - Part 3					3,392,667	3,392,666.50	3,231
8399998	Summary item from Part 5 for Bonds					250,000		
8399999	Subtotal - Bonds					3,642,667	3,392,666.50	3,231
8999998	Summary Item from Part 5 for Preferred Stocks						X X X	
9799998	Summary Item from Part 5 for Common Stocks						X X X	
9899999	Subtotal - Preferred and Common Stocks						X X X	
9999999	Totals					3,642,667	X X X	3,231

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 F o r e i g n Date	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (Cols. 11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
	AMESCMTYBANKIOWACD		02/02/2012	Maturity	X X X	125,000	125,000.00	125,000	125,000						125,000					117	02/02/2012
	ENTERPRISEBK&TRCLAYTON		02/13/2012	Maturity	X X X	250,000	250,000.00	250,000	250,000						250,000					307	02/13/2012
	WEBBANKCORP		04/02/2012	Maturity	X X X	250,000	250,000.00	250,000	250,000						250,000					1,401	04/02/2012
	FIRSTFEDS&LASSN		06/07/2012	Maturity	X X X	238,819	238,818.60	238,819	238,819						238,819					11,181	06/07/2012
	STEARNSBANK		06/15/2012	Early Redemption	X X X	250,000	250,000.00	250,000	250,000						250,000					1,253	08/15/2014
	BARABOONATIONALBANK		06/18/2012	Maturity	X X X	250,000	250,000.00	250,000	250,000						250,000					2,091	06/18/2012
	FIRSTBNKLEXINGTONTENN		06/18/2012	Maturity	X X X	250,000	250,000.00	250,000	250,000						250,000					2,408	06/18/2012
	FIRSTCOMMERCIALBANK		06/22/2012	Maturity	X X X	250,000	250,000.00	250,000	250,000						250,000					2,507	06/22/2012
	PLAINSCAPITALPLNCAP		08/20/2012	Maturity	X X X	200,000	200,000.00	200,000	200,000						200,000					1,613	08/20/2012
	INVESTORS CMTY BANK WI		10/03/2012	Maturity	X X X	250,000	250,000.00	250,000	250,000						250,000					1,776	10/03/2012
	RIVERBANK SPOKANE WA		11/01/2012	Early Redemption	X X X	232,906	232,905.75	232,906	232,906						232,906					17,094	12/04/2012
	DISCOVER BANK		12/06/2012	Maturity	X X X	232,906	232,905.75	232,906	232,906						232,906					17,094	12/04/2012
	INDEPENDENT BANK TENN		12/18/2012	Maturity	X X X	250,000	250,000.00	250,000	250,000						250,000					4,763	12/18/2012
	AVB BANK		12/27/2012	Maturity	X X X	224,250	224,250.00	224,250	224,250						224,250					2,428	12/27/2012
	CHEMUNG CANAL TRUST COMPANY		12/27/2012	Maturity	X X X	222,094	222,094.11	222,094	222,094						222,094					2,404	12/27/2012
	FIRST BUSINESS BANK		12/27/2012	Maturity	X X X	69,406	69,406.30	69,406	69,406						69,406					751	12/27/2012
	FIRST COUNTY BANK		12/27/2012	Maturity	X X X	224,250	224,250.00	224,250	224,250						224,250					2,428	12/27/2012
	HAWTHORN BANK		12/27/2012	Maturity	X X X	25,750	25,750.00	25,750	25,750						25,750					279	12/27/2012
	MAUCH CHUNK TRUST COMPANY		12/27/2012	Maturity	X X X	224,250	224,250.00	224,250	224,250						224,250					2,428	12/27/2012
	STILLMAN BANCCORP NA		12/27/2012	Maturity	X X X	125,919	125,918.80	125,919	125,919						125,919					1,363	12/27/2012
	SUSQUEHANNA BANK		12/27/2012	Maturity	X X X	150,000	150,000.00	150,000	150,000						150,000					1,624	12/27/2012
	SYNERGY BANK		12/27/2012	Maturity	X X X	100,000	100,000.00	100,000	100,000						100,000					1,083	12/27/2012
	THE FARMERS AND MERCHANTS BANK		12/27/2012	Maturity	X X X	224,250	224,250.00	224,250	224,250						224,250					2,428	12/27/2012
	UNITED COMMERCE BANK		12/27/2012	Maturity	X X X	95,211	95,210.99	95,211	95,211						95,211					1,031	12/27/2012
	UPPER PENINSULA STATE BANK		12/27/2012	Maturity	X X X	224,250	224,250.00	224,250	224,250						224,250					2,428	12/27/2012
	3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					4,939,260	4,939,260.30	4,939,260	4,939,260						4,939,260					84,277	X X X
	8399997 Subtotal - Bonds - Part 4					4,939,260	4,939,260.30	4,939,260	4,939,260						4,939,260					84,277	X X X
	8399998 Summary Item from Part 5 for Bonds					250,000		250,000							250,000					1,094	X X X
	8399999 Subtotal - Bonds					5,189,260	4,939,260.30	5,189,260	4,939,260						5,189,260					85,371	X X X
	8999998 Summary Item from Part 5 for Preferred Stocks						X X X														X X X
	9799998 Summary Item from Part 5 for Common Stocks						X X X														X X X
	9899999 Subtotal - Preferred and Common Stocks						X X X														X X X
	9999999 Totals					5,189,260	X X X	5,189,260	4,939,260						5,189,260					85,371	X X X

SCHEDULE D - PART 5

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

1 CUSIP Identifi- cation	2 Description	3 F O R E I G N Date Acquired	4 Name of Vendor	5 Disposal Date	6 Name of Purchaser	7 Par Value (Bonds) Number of Shares (Stock)	8 Actual Cost	9 Consider- ation	10 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
										12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 12+ 13-14)	16 Total Foreign Exchange Change in B./A.C.V.					
Bonds - Industrial and Miscellaneous (Unaffiliated)																			
	CRESOM BANK CSBKSC	01/13/2012	CARDINAL BANK	08/14/2012	SELL		250,000	250,000	250,000									1,094	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)																			
							250,000	250,000	250,000									1,094	
8399998 Subtotal - Bonds																			
							250,000	250,000	250,000									1,094	
9999999 Totals																			
							250,000	250,000	250,000									1,094	

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6 Do Insurer's Assets Include Intangible Assets connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
NONE									
1999999 Total - Preferred and Common Stocks .....								... X X X ...	... X X X ...

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

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Total - Preferred and Common Stocks .....				... X X X ...	... X X X ...

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identi- fication	2 Description	Codes		5 Date Acquired	6 Name of Vendor	7 Maturity Date	8 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				13 Par Value	14 Actual Cost	Interest						21 Paid For Accrued Interest	
		3 Code	4 For- eign					9 Unrealized Valuation Increase/ (Decrease)	10 Current Year's (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Total Foreign Exchange Change in B./A.C.V.			15 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	16 Non-Admitted Due and Accrued	17 Rate of	18 Effective Rate of	19 When Paid	20 Amount Received During Year		
Bonds - U.S. Governments - Issuer Obligations																					
	Federated MM Obligs TR Treasury IS			12/31/2012	CARDINAL BANK	01/01/2013	790,288					790,288	790,288			0.010	0.010	MON		28	
0199999 Subtotal - Bonds - U.S. Governments - Issuer Obligations							790,288					790,288	790,288			X X X	X X X	X X X		28	
0599999 Subtotal - Bonds - U.S. Governments							790,288					790,288	790,288			X X X	X X X	X X X		28	
7799999 Subtotal - Issuer Obligations							790,288					790,288	790,288			X X X	X X X	X X X		28	
8399999 Total Bonds							790,288					790,288	790,288			X X X	X X X	X X X		28	
8699999 Total - Parent, Subsidiaries and Affiliates												X X X				X X X	X X X	X X X			
Class One Money Market Mutual Funds																					
60934N203	Federated MM Obligs TR Prime Obligations			12/31/2012	CARDINAL BANK		19,236					19,236	19,236			0.090	0.090	MON		33	
8999999 Subtotal - Class One Money Market Mutual Funds							19,236					X X X	19,236			X X X	X X X	X X X		33	
9199999 Total Short-Term Investments							809,524					X X X	809,524			X X X	X X X	X X X		61	

E18 Schedule DB - Part A Sn 1 Opt/Cap/Floors/Collars/Swaps/Forwards Open NONE

E19 Schedule DB - Part A Sn 2 Opt/Cap/Floors/Collars/Swaps/Forwards Term. . . . NONE

E20 Schedule DB - Part B Sn 1 Futures Contracts Open NONE

E21 Schedule DB - Part B Sn 2 Futures Contracts Terminated NONE

E22 Schedule DB - Part D Counterparty Exposure for Derivative Instruments Open NONE

E23 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E24 Schedule DL - Part 2 - Securities Lending Collateral Assets NONE

SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
open depositories						
CARDINAL BANK - GENERAL CHECKING	WASHINGTON DC				(337,019)	X X X
CARDINAL BANK - MEDCLMS	WASHINGTON DC				(5,812,908)	X X X
CARDINAL BANK - ALLIANCE CLAIMS	WASHINGTON DC				46,558	X X X
CARDINAL BANK - MH CLAIMS	WASHINGTON DC				(177,830)	X X X
CARDINAL BANK - FLEX BENEFITS	WASHINGTON DC				6,530	X X X
BANK OF AMERICA - PAYROLL	WASHINGTON DC				37,556	X X X
CARDINAL BANK - TRANSPORTATION	WASHINGTON DC				4,514	X X X
URBAN TRUST BANK	LAKE MARY FL	09/10/2013	0.640	158	18,922	X X X
CARDINAL BANK - MONEY MARKET	WASHINGTON DC		0.200	6		X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories						
		X X X		25,348		X X X
0199999 Totals - Open Depositories						
		X X X		25,512	(6,213,676)	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories						
		X X X				X X X
0299999 Totals - Suspended Depositories						
		X X X				X X X
0399999 Total Cash On Deposit						
		X X X		25,512	(6,213,676)	X X X
0499999 Cash in Company's Office						
		X X X		X X X	137	X X X
0599999 Total Cash						
		X X X		25,512	(6,213,539)	X X X

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

1. January	(7,227,194)	4. April	1,843,578	7. July	(10,028,867)	10. October	(1,513,337)
2. February	(11,616,335)	5. May	(1,250,057)	8. August	(7,357,322)	11. November	(2,728,264)
3. March	(3,770,639)	6. June	994,404	9. September	(1,270,002)	12. December	(6,213,539)

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Sweep Accounts							
CASH-CARDINAL BANK MEDICAID REPO		12/31/2012 ...	0.002	01/01/2013 ...	10,225,639		42,959
8499999 Subtotal - Sweep Accounts					10,225,639		42,959
8699999 Total Cash Equivalents					10,225,639		42,959

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	1 States, Etc.	2 Type of Deposit	3 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
				3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)	C	DC Deposit Requirement DC ST 31-3412 (b)	317,000	317,000		
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Northern Mariana Islands (MP)						
57.	Canada (CAN)						
58.	Aggregate Alien and Other (OT)	X X X	X X X				
59.	Total	X X X	X X X	317,000	317,000		
DETAILS OF WRITE-INS							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X				

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EXHIBIT 2

D.C. CHARTERED HEALTH PLAN, INC.

Statutory Statements of Cash Flows

Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Premiums collected, net of reinsurance	\$ 391,422,122	\$ 366,272,113
Benefit payments	(357,310,956)	(333,628,360)
General and administrative expenses paid	(49,992,662)	(45,030,386)
Net investment income	254,270	303,881
Federal income taxes (paid) recovered	-	3,368,587
	<u>(15,627,226)</u>	<u>(8,714,165)</u>
Cash flows from investing activities		
Proceeds from investments	5,202,544	4,201,743
Costs of investments acquired	(3,642,667)	(7,049,630)
	<u>1,559,877</u>	<u>(2,847,887)</u>
Cash flows from financing activities		
Other cash provided, net	1,913,654	(267,912)
	<u>1,913,654</u>	<u>(267,912)</u>
Net decrease in cash, cash equivalents and short-term investments	(12,153,695)	(11,829,964)
Cash, cash equivalents and short-term investments		
Beginning of year	16,975,318	28,805,282
End of year	<u>\$ 4,821,623</u>	<u>\$ 16,975,318</u>

D.C. CHARTERED HEALTH PLAN, INC.Statutory Statements of Admitted Assets, Liabilities, and Capital and Surplus
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Admitted Assets		
Bonds, at cost which approximates fair value	\$ 13,479,363	\$ 15,025,957
Cash, cash equivalents and short-term investments	4,821,623	16,975,318
Total cash and invested assets	18,300,986	32,001,275
Accrued investment income	136,847	122,683
Uncollected premiums	5,164,863	5,299,409
Accrued retrospective premiums	32,000,000	20,000,000
Reinsurance recoverable	351,586	277,703
Electronic data processing equipment and software	146,063	-
Health care receivables	-	143,721
Total admitted assets	<u>\$ 56,100,345</u>	<u>\$ 57,844,791</u>
Liabilities, capital and surplus		
Claims unpaid	\$ 47,889,416	\$ 43,000,000
Unpaid claims adjustment expenses	1,275,722	1,275,722
Premium deficiency reserve	5,000,000	-
Other liabilities and accrued expenses	11,546,313	7,619,624
Total liabilities	<u>65,711,451</u>	<u>51,895,346</u>
Class A common stock - \$0.10 par value, 1,000 shares authorized, issued and outstanding	100	100
Gross paid-in and contributed surplus	4,690,419	4,690,419
Unassigned surplus	(14,301,625)	1,258,926
Total capital and surplus	<u>(9,611,106)</u>	<u>5,949,445</u>
Total liabilities, capital and surplus	<u>\$ 56,100,345</u>	<u>\$ 57,844,791</u>

D.C. CHARTERED HEALTH PLAN, INC.
Statutory Statements of Revenue and Expenses
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Underwriting income		
Net premium income	\$ 398,256,303	\$ 383,743,178
Underwriting expenses		
Claims incurred	359,550,135	346,596,401
Claims adjustment expenses	13,368,797	12,344,021
General administrative expenses	34,264,377	26,915,784
Increase in premium reserves	<u>5,000,000</u>	<u>-</u>
Total underwriting expenses	<u>412,183,309</u>	<u>385,856,206</u>
Net underwriting income	(13,927,006)	(2,113,028)
Net investment income	268,434	271,136
Net realized loss	(188,599)	-
Net loss from premium balances charged off	6,000,000	10,000,000
Other income (expense)	<u>(316,584)</u>	<u>2,487,677</u>
Net income (loss) before federal taxes	(20,163,755)	(9,354,215)
Federal income tax expense	<u>-</u>	<u>-</u>
Net Loss	<u>\$ (20,163,755)</u>	<u>\$ (9,354,215)</u>

D.C. CHARTERED HEALTH PLAN, INC.Statutory Statements of Changes in Capital and Surplus
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Capital and surplus, beginning of year	\$ 5,949,445	\$ 17,444,647
Net income (loss)	(20,163,755)	(9,354,215)
Change in nonadmitted assets	4,603,204	1,611,527
Change in net deferred income taxes	-	(3,319,807)
Correction of prior period accounting error	-	(432,707)
Capital and surplus, end of year	<u>\$ (9,611,106)</u>	<u>\$ 5,949,445</u>