



# ANNUAL STATEMENT

## For the Year Ending DECEMBER 31, 2014

### OF THE CONDITION AND AFFAIRS OF THE

# Trusted Health Plan (District of Columbia), Inc.

NAIC Group Code	0000 <small>(Current Period)</small>	0000 <small>(Prior Period)</small>	NAIC Company Code	14225	Employer's ID Number	45-2375150
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	05/16/2011		Commenced Business	07/01/2013		
Statutory Home Office	1100 New Jersey Avenue SE Suite 840 <small>(Street and Number)</small>		Washington, DC, US 20003 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	1100 New Jersey Avenue SE Suite 840 <small>(Street and Number)</small>					
	Washington, DC, US 20003 <small>(City or Town, State, Country and Zip Code)</small>		(202)821-1100 <small>(Area Code) (Telephone Number)</small>			
Mail Address	1100 New Jersey Avenue SE Suite 840 <small>(Street and Number or P.O. Box)</small>		Washington, DC, US 20003 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	1100 New Jersey Avenue SE Suite 840 <small>(Street and Number)</small>					
	Washington, DC, US 20003 <small>(City or Town, State, Country and Zip Code)</small>		(202)821-1100 <small>(Area Code) (Telephone Number)</small>			
Internet Website Address	www.thrivehp.com					
Statutory Statement Contact	Cleveland Eugene Slade <small>(Name)</small>		(202)821-1070 <small>(Area Code)(Telephone Number)(Extension)</small>			
	cslade@trustedhp.com <small>(E-Mail Address)</small>		(202)821-1099 <small>(Fax Number)</small>			

### OFFICERS

Name	Title
Thomas Michael Duncan	CEO
Cleveland Eugene Slade	CFO
Richard Eugene Gillette	COO #
Theodore James Clark	CIO

### OTHERS

### DIRECTORS OR TRUSTEES

Dennis Sean Ellis  
Eddie Leon Hall  
Bruce Robert Keiser

Thomas Michael Duncan  
Jack NMN Martin

State of \_\_\_\_\_  
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> <b>Thomas Michael Duncan</b> <small>(Printed Name)</small> 1. <b>Chief Executive Officer</b> <small>(Title)</small>	_____ <small>(Signature)</small> <b>Cleveland Eugene Slade</b> <small>(Printed Name)</small> 2. <b>Chief Financial Officer</b> <small>(Title)</small>	_____ <small>(Signature)</small> <b>Richard Eugene Gillette</b> <small>(Printed Name)</small> 3. <b>Chief Operating Officer</b> <small>(Title)</small>
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2015

- 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) .....				
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 (\$.....21,698,191, Schedule E Part 1), cash equivalents				
(\$.....0, Schedule E Part 2) and short-term investments				
(\$.....0, Schedule DA) .....	21,698,191		21,698,191	11,820,812
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) .....	21,698,191		21,698,191	11,820,812
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued .....				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of				
collection .....	3,818,672		3,818,672	
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 .....				
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 .....	102,046	66,098	35,948	
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	386,587	165,839	220,748	50,358
21. Furniture and equipment, including health care delivery assets				
(\$.....0) .....	196,230	196,230		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....200,803) and other amounts receivable .....	205,721	4,918	200,803	837,870
25. Aggregate write-ins for other than invested assets .....	94,762	94,762		
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25) .....	26,502,209	527,847	25,974,362	12,709,040
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts .....				
28. TOTAL (Lines 26 and 27) .....	26,502,209	527,847	25,974,362	12,709,040
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses .....	66,846	66,846		
2502. Employee Advances .....				
2503. Deposits .....	16,735	16,735		
2598. Summary of remaining write-ins for Line 25 from overflow page	11,181	11,181		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	94,762	94,762		

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	11,981,448		11,981,448	7,685,287
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....				
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				
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 .....	4,865,579		4,865,579	1,513,470
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....	442,786		442,786	
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				25,000
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) .....				
24. TOTAL Liabilities (Lines 1 to 23) .....	17,289,813		17,289,813	9,223,757
25. Aggregate write-ins for special surplus funds .....	X X X	X X X	445,722	
26. Common capital stock .....	X X X	X X X	1,000	9,000
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X	6,834,000	5,491,000
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	1,403,827	(2,014,716)
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	8,684,549	3,485,284
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	25,974,362	12,709,041
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
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) .....				
2501. ACA 9010 tax Payable for 2015 .....	X X X	X X X	445,722	
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	445,722	
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	350,497	162,210
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	119,092,512	50,503,059
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	119,092,512	50,503,059
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		83,038,750	41,780,364
10. Other professional services .....		8,694,150	
11. Outside referrals .....			
12. Emergency room and out-of-area .....			
13. Prescription drugs .....		6,720,744	3,348,738
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments and bonus amounts .....			
16. Subtotal (Lines 9 to 15) .....		98,453,644	45,129,102
<b>Less:</b>			
17. Net reinsurance recoveries .....		647,518	
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		97,806,126	45,129,102
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....2,274,174 cost containment expenses .....		4,852,563	1,723,403
21. General administrative expenses .....		12,110,183	3,872,788
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23. TOTAL Underwriting Deductions (Lines 18 through 22) .....		114,768,872	50,725,293
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	4,323,640	(222,234)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		2,253	(1,335)
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....			
27. Net investment gains (losses) (Lines 25 plus 26) .....		2,253	(1,335)
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29. Aggregate write-ins for other income or expenses .....		(25,450)	
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	4,300,443	(223,569)
31. Federal and foreign income taxes incurred .....	X X X	1,299,832	
32. Net income (loss) (Lines 30 minus 31) .....	X X X	3,000,611	(223,569)
<b>DETAILS OF WRITE-INS</b>			
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. ....			
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) .....			
2901. Penalties .....		(25,450)	
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....		(25,450)	

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

		1	2
		Current Year	Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33.	Capital and surplus prior reporting year .....	3,485,284	1,540,253
34.	Net income or (loss) from Line 32 .....	3,000,611	(223,569)
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 .....	102,046	
39.	Change in nonadmitted assets .....	1,053,554	(1,581,401)
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 .....		8,000
44.2	Transferred from surplus (Stock Dividend) .....		
44.3	Transferred to surplus .....	(8,000)	
45.	Surplus adjustments:		
45.1	Paid in .....	1,343,000	3,742,000
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 .....	(291,944)	
48.	Net change in capital and surplus (Lines 34 to 47) .....	5,199,267	1,945,030
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	8,684,551	3,485,283
<b>DETAILS OF WRITE-INS</b>			
4701.	Prior Period Adjustments .....	(291,944)	
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) .....	(291,944)	

**CASH FLOW**

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	116,490,648	49,286,251
2.	Net investment income .....	2,253	(1,335)
3.	Miscellaneous income .....		
4.	TOTAL (Lines 1 through 3) .....	116,492,901	49,284,916
5.	Benefit and loss related payments .....	93,715,686	37,443,815
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	13,636,088	4,082,721
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	857,046	
10.	TOTAL (Lines 5 through 9) .....	108,208,820	41,526,536
11.	Net cash from operations (Line 4 minus Line 10) .....	8,284,081	7,758,380
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....		
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....		
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) .....		
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) .....		
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....	1,335,000	3,750,000
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) .....	258,298	(1,227,821)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	1,593,298	2,522,179
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	9,877,379	10,280,559
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	11,820,812	1,540,253
19.2	End of year (Line 18 plus Line 19.1) .....	21,698,191	11,820,812

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

20.0001			
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## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	119,092,512	7,692,375						111,400,137		
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) .....	119,092,512	7,692,375						111,400,137		
8. Hospital/medical benefits .....	83,038,750	6,583,759						76,454,991		X X X
9. Other professional services .....	8,694,150	571,939						8,122,211		X X X
10. Outside referrals .....										X X X
11. Emergency room and out-of-area .....										X X X
12. Prescription drugs .....	6,720,744	7,125						6,713,619		X X X
13. Aggregate write-ins for other hospital and medical .....										X X X
14. Incentive pool, withhold adjustments and bonus amounts .....										X X X
15. Subtotal (Lines 8 to 14) .....	98,453,644	7,162,823						91,290,821		X X X
16. Net reinsurance recoveries .....	647,518							647,518		X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16) .....	97,806,126	7,162,823						90,643,303		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 \$.....2,274,174 cost containment expenses .....	4,852,563	466,424						4,386,139		
20. General administrative expenses .....	12,110,183	783,661						11,326,522		
21. Increase in reserves for accident and health contracts .....										X X X
22. Increase in reserves for life contracts .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22) .....	114,768,872	8,412,908						106,355,964		
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	4,323,640	(720,533)						5,044,173		
<b>DETAILS OF WRITE-INS</b>										
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. ....										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) .....										X X X

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	7,748,647		56,272	7,692,375
2.	Medicare Supplement .....				
3.	Dental only .....				
4.	Vision only .....				
5.	Federal Employees Health Benefits Plan .....				
6.	Title XVIII - Medicare .....				
7.	Title XIX - Medicaid .....	111,993,886		593,750	111,400,136
8.	Other health .....				
9.	Health subtotal (Lines 1 through 8) .....	119,742,533		650,022	119,092,511
10.	Life .....				
11.	Property/casualty .....				
12.	TOTALS (Lines 9 to 11) .....	119,742,533		650,022	119,092,511



## 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 .....	94,363,203	7,154,400						87,208,803		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....	647,518							647,518		
1.4 Net .....	93,715,685	7,154,400						86,561,285		
2. Paid medical incentive pools and bonuses .....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	11,981,448	1,018,854						10,962,594		
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	11,981,448	1,018,854						10,962,594		
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) .....	205,721							205,721		
7. Amounts recoverable from reinsurers December 31, current year .....										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	7,685,286	1,010,431						6,674,855		
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	7,685,286	1,010,431						6,674,855		
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 .....										
12. Incurred benefits:										
12.1 Direct .....	98,453,644	7,162,823						91,290,821		
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....	647,518							647,518		
12.4 Net .....	97,806,126	7,162,823						90,643,303		
13. Incurred medical incentive pools and bonuses .....										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	5,303,994	451,030						4,852,964		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	5,303,994	451,030						4,852,964		
2. Incurred but Unreported:										
2.1 Direct .....	6,677,454	567,824						6,109,630		
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	6,677,454	567,824						6,109,630		
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 .....	11,981,448	1,018,854						10,962,594		
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	11,981,448	1,018,854						10,962,594		

**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 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	685,741	6,468,659		1,018,854	685,741	1,010,431
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid .....	11,169,015	75,392,271		10,962,594	11,169,015	6,674,855
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	11,854,756	81,860,930		11,981,448	11,854,756	7,685,286
10. Healthcare receivables (a) .....		205,721				
11. Other non-health .....						
12. Medical incentive pool and bonus amounts .....						
13. TOTALS (Lines 9 - 10 + 11 + 12) .....	11,854,756	81,655,209		11,981,448	11,854,756	7,685,286

(a) Excludes \$.....0 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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....					
2. 2010 .....					
3. 2011 .....	X X X				
4. 2012 .....	X X X	X X X			
5. 2013 .....	X X X	X X X	X X X	37,444	49,299
6. 2014 .....	X X X	X X X	X X X	X X X	81,656

**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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....					
2. 2010 .....					
3. 2011 .....	X X X				
4. 2012 .....	X X X	X X X			
5. 2013 .....	X X X	X X X	X X X	45,129	49,299
6. 2014 .....	X X X	X X X	X X X	X X X	93,637

**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. 2010 .....										
2. 2011 .....										
3. 2012 .....										
4. 2013 .....	50,503	49,299	2,903	5.889	52,202	103.364			52,202	103.364
5. 2014 .....	119,092	81,656	6,659	8.155	88,315	74.157	11,981		100,296	84.217

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....					
2. 2010 .....					
3. 2011 .....	X X X				
4. 2012 .....	X X X	X X X			
5. 2013 .....	X X X	X X X	X X X	3,205	3,891
6. 2014 .....	X X X	X X X	X X X	X X X	6,469

**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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....					
2. 2010 .....					
3. 2011 .....	X X X				
4. 2012 .....	X X X	X X X			
5. 2013 .....	X X X	X X X	X X X	4,215	3,891
6. 2014 .....	X X X	X X X	X X X	X X X	7,488

**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. 2010 .....										
2. 2011 .....										
3. 2012 .....										
4. 2013 .....	2,579	3,891	179	4.600	4,070	157.813			4,070	157.813
5. 2014 .....	7,692	6,469	569	8.796	7,038	91.498	1,019		8,057	104.745

12 Hospital and Medical

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

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

**Title XIX - Medicaid**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....					
2. 2010 .....					
3. 2011 .....	X X X				
4. 2012 .....	X X X	X X X			
5. 2013 .....	X X X	X X X	X X X	34,239	45,408
6. 2014 .....	X X X	X X X	X X X	X X X	75,187

**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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....					
2. 2010 .....					
3. 2011 .....	X X X				
4. 2012 .....	X X X	X X X			
5. 2013 .....	X X X	X X X	X X X	40,914	45,408
6. 2014 .....	X X X	X X X	X X X	X X X	86,149

**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. 2010 .....										
2. 2011 .....										
3. 2012 .....										
4. 2013 .....	47,924	45,408	2,724	5.999	48,132	100.434			48,132	100.434
5. 2014 .....	111,400	75,187	6,090	8.100	81,277	72.960	10,962		92,239	82.800

12 Title XIX-Medicaid

**12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other ..... NONE**

**12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other ..... NONE**

**12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other ..... NONE**

**13 Underwriting Invest Exh Pt 2D - A & H Reserve ..... NONE**



## 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) .....			471,892		471,892
2. Salaries, wages and other benefits .....	1,953,535	1,408,467	3,297,581		6,659,583
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....					
4. Legal fees and expenses .....	28,702	200,412	469,216		698,330
5. Certifications and accreditation fees .....	8,058	56,266	131,734		196,058
6. Auditing, actuarial and other consulting services .....	36,082	251,944	589,866		877,892
7. Traveling expenses .....	13,298	92,508	216,585		322,391
8. Marketing and advertising .....	17,458	121,901	285,401		424,760
9. Postage, express and telephone .....	8,947	62,474	146,268		217,689
10. Printing and office supplies .....	19,514	136,255	319,007		474,776
11. Occupancy, depreciation and amortization .....	1,396	9,744	22,814		33,954
12. Equipment .....	1,689	11,797	27,619		41,105
13. Cost or depreciation of EDP equipment and software .....	17,027	118,891	278,353		414,271
14. Outsourced services including EDP, claims, and other services .....	29,492		2,340,709		2,370,201
15. Boards, bureaus and association fees .....					
16. Insurance, except on real estate .....	3,736	26,090	61,082		90,908
17. Collection and bank service charges .....				617	617
18. Group service and administration fees .....					
19. Reimbursements by uninsured plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....			2,602		2,602
22. Real estate taxes .....	159	1,111			1,270
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					
23.2 State premium taxes .....			2,394,851		2,394,851
23.3 Regulatory authority licenses and fees .....			866,066		866,066
23.4 Payroll taxes .....	135,742	85,141	199,338		420,221
23.5 Other (excluding federal income and real estate taxes) .....					
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....	(661)	(4,613)	(10,801)		(16,075)
26. TOTAL Expenses Incurred (Lines 1 to 25) .....	2,274,174	2,578,388	12,110,183	617	(a) 16,963,362
27. Less expenses unpaid December 31, current year .....			4,865,579		4,865,579
28. Add expenses unpaid December 31, prior year .....			1,513,470		1,513,470
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) .....	2,274,174	2,578,388	8,758,074	617	13,611,253
<b>DETAILS OF WRITE-INS</b>					
2501. Contributions and Sponsorships .....			7,164		7,164
2502. Government Relations .....			80,757		80,757
2503. Miscellaneous Administrative Expenses .....	(661)	(4,613)	3,324		(1,950)
2598. Summary of remaining write-ins for Line 25 from overflow page .....			(102,046)		(102,046)
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	(661)	(4,613)	(10,801)		(16,075)

(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)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 2,869	2,869
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	2,869	2,869
11. Investment expenses		(g) 616
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)		616
17. Net Investment income (Line 10 minus Line 16)		2,253
<b>DETAILS OF WRITE-INS</b>		
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 \$.....0 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 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
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					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)					
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Invested income due and accrued .....			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....		1,216,808	1,216,808
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 .....	66,098		(66,098)
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	165,839	188,333	22,494
21. Furniture and equipment, including health care delivery assets .....	196,230	121,147	(75,083)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....	4,918		(4,918)
25. Aggregate write-ins for other than invested assets .....	94,762	55,113	(39,649)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	527,847	1,581,401	1,053,554
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	527,847	1,581,401	1,053,554
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501. Prepaid Expenses .....	66,846	36,896	(29,950)
2502. Employee Advances .....		3,200	3,200
2503. Deposits .....	16,735	15,017	(1,718)
2598. Summary of remaining write-ins for Line 25 from overflow page .....	11,181		(11,181)
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	94,762	55,113	(39,649)

## 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 .....	26,710	27,505	29,746	30,615	31,044	350,497
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 .....	26,710	27,505	29,746	30,615	31,044	350,497
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of Trusted Health Plan, (District of Columbia), Inc. (THP) 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:

		<u>State of Domicile</u>	2014	2013
	<b>NET INCOME</b>			
(1)	State basis (Page 4, Line 32, Columns 2 & 3)	DC	\$3,000,611	\$(223,569)
(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)		\$3,000,611	\$(223,569)
	<b>SURPLUS</b>			
(5)	State basis (Page 3, Line 33, Columns 3 & 4)	DC	\$8,684,549	\$3,485,384
(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)		\$8,684,549	\$3,485,384

#### 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

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments – None
- (2) Bonds not backed by other loans - None

**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) THP 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. THP uses actuarially sound methodologies developed by its actuarial consultants, Lewis & Ellis, Inc. 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) THP has not modified its capitalization policy from the prior period.
- (13) THP does not have any pharmacy rebate receivables.

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

The Company booked a correction of error in the amount of \$139,567 in second quarter of 2014. This consisted of \$100,594 in additional accrued administrative expenses and \$38,973 of rent expense. In third quarter of 2014, the Company booked a correction of an error in the amount of \$152,377. This was for 2014 Affordable Care Act (ACA) Fee in order to properly account for it in the period for which it relates.

**3. Business Combinations and Goodwill**

- A. Statutory Purchase Method - None
- B. Statutory Merger - None
- C. Assumption Reinsurance – None
- D. Impairment Loss – None

**4. Discontinued Operations**

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
  - (1) Policy for requiring collateral or other security – None
  - (2) Carrying amount and classification of both those assets and associated liabilities – None
  - (3) Collateral accepted that it is permitted by contract or custom to sell or repledge:

**Notes to Financial Statements**

- a. Aggregate amount of contractually obligated open collateral positions – None
- b. Fair value of that collateral and of the portion of that collateral that it has sold or replugged – None
- c. Information about the sources and uses of that collateral – None

(4) Aggregate value of the reinvested collateral which is “one-line” reported and the aggregate reinvested collateral which is reported in the investment schedules – None

(5) Reinvestment of the cash collateral and any securities which it or its agent receives as collateral that can be sold or replugged – None

(6) Collateral accepted that it is not permitted by contract or custom to sell or replugged – None

(7) Collateral for transactions that extend beyond one year from the reporting date – None

F. Real Estate – None

G. Low-Income Housing Tax Credits (LIHTC) – None

H. Restricted Assets - No Material Change

## (1) Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ .....	\$ .....	\$ .....	\$ .....	.....%	.....%
b. Collateral held under security lending agreements	.....	.....	.....	.....	.....	.....
c. Subject to repurchase agreements	.....	.....	.....	.....	.....	.....
d. Subject to reverse repurchase agreements	.....	.....	.....	.....	.....	.....
e. Subject to dollar repurchase agreements	.....	.....	.....	.....	.....	.....
f. Subject to dollar reverse repurchase agreements	.....	.....	.....	.....	.....	.....
g. Placed under option contracts	.....	.....	.....	.....	.....	.....
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	.....	.....	.....	.....	.....	.....
i. FHLB capital stock	.....	.....	.....	.....	.....	.....
j. On deposit with states	\$300,664	\$300,514	\$150	\$300,664	1.13%	1.15%
k. On deposit with other regulatory bodies	.....	.....	.....	.....	.....	.....
l. Other restricted assets Pledged as collateral to FHLB (including assets backing funding agreements)	.....	.....	.....	.....	.....	.....
m. Pledged as collateral not captured in other categories	.....	.....	.....	.....	.....	.....
n. Other restricted assets	.....	.....	.....	.....	.....	.....
o. Total Restricted Assets	\$300,664	\$300,514	\$150	\$300,664	1.13%	1.15%

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

(3) Detail of Other Restricted Assets - None

I. Working Capital Finance Investments

(2) Aggregate Book/Adjusted Carrying Value – None

(3) Events of Default – None

J. Offsetting and Netting of Assets and Liabilities – None

K. Structured Notes – None

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

A. THP has no investments in joint ventures, partnerships or limited liability companies.

## Notes to Financial Statements

B. THP does not have any investments in impaired Joint Ventures, Partnerships or Limited Liability Companies.

### 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.

### 8. Derivative Instruments

A. – C. THP does not have any derivative instruments.

### 9. Income Taxes

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

(1)

	Description	12/31/2014			12/31/2013			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	191,271		191,271	661,142		661,142	(469,171)		(469,171)
b.	Statutory Valuation Allowance Adjustments				661,142		661,142	661,142		661,142
c.	Adjusted Gross Deferred Tax Assets (1a – 1b)	191,271		191,271				191,271		191,271
d.	Deferred Tax Assets Non-admitted	66,098		66,098				66,098		66,098
e.	Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	125,173		125,173				125,173		125,173
f.	Deferred Tax Liabilities	89,225		89,225				89,225		89,225
g.	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	35,948		35,948				35,948		35,948

(2) Admission Calculation Components

	Description	12/31/2014			12/31/2013			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	35,948		35,948				35,948		35,948
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)									
b1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	35,948		35,948				35,948		35,948
b2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold			1,272,851						1,272,851
c.	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities	89,225		89,225				89,225		89,225
d.	Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b – 2c)	125,173		125,173				125,173		125,173

(3)

	Description	2012	2011
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	377%	149%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	8,485,676	3,345,716

(4)

	Description	12/31/2014		12/31/2013		Change	
		1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col 1-3) Ordinary	6 (Col.2+4) Capital
<b>Impact of Tax-Planning Strategies</b>							
a. Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage							
1.	Adjusted Gross DTAs Amount From Note 9A1(c)						
2.	% Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)						
4.	% Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%



## Notes to Financial Statements

- B. Regarding deferred tax liabilities that are not recognized – None  
 C. Current income taxes incurred consist of the following major components:

	Description	1 12/31/2014	2 12/31/2013	3 (Col. 1 – 2) Change
1.	Current Income Tax			
a.	Federal	1,197,786		1,197,786
b.	Foreign			
c.	Subtotal	1,197,786		1,197,786
d.	Federal income tax on net capital gains			
e.	Utilization of capital loss carry-forwards			
f.	Other			
g.	Federal and foreign income taxes incurred	1,197,786		1,197,786
2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	35,948	56,085	(20,137)
2.	Unearned premium reserve			
3.	Policyholder reserves			
4.	Investments			
5.	Deferred acquisition costs			
6.	Policyholder dividends accrual			
7.	Fixed assets			
8.	Compensation and benefits accrual		2,597	(2,597)
9.	Pension accrual			
10.	Receivables – nonadmitted	155,323	537,676	(382,353)
11.	Net operating loss carry-forward		64,784	(64,784)
12.	Tax credit carry-forward			
13.	Other (including items < 5% of total ordinary tax assets)			
99.	Subtotal	191,271	661,142	(469,871)
b.	Statutory valuation allowance adjustment		661,142	(661,142)
c.	Nonadmitted	66,098		66,098
d.	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	125,173		125,173
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)	125,173		125,173
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Investments	89,225		89,225
2.	Fixed assets			
3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items < 5% of total ordinary tax liabilities)			
99.	Subtotal	89,225		89,225
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)	89,225		89,225
4.	Net deferred tax assets/liabilities (2i – 3c)	35,948		35,948

- D. Among the more significant book to tax adjustments were the following:

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

The provision for federal income taxes incurred is 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	Effective Tax Rate
Income before taxes	3,962,244	34.0%
DRD deduction and tax-exempt interest, net	-	0%
Prior year underaccrual/(overaccrual)	9,447	0.08%
Change in nonadmitted assets	1,124,568	9.65%
Meals and Entertainment	45,593	0.39%
Section 9101 Fees	-	.00%
Change in Valuation Allowance (1,944,535)	-16.69%	
Other 25,447	.22%	
Federal income taxes incurred	1,197,786	30.23%
Taxes on Capital Gains	-	0%
Change in net deferred income tax [charge/(benefit)] (102,046)	-2.58%	
Total Statutory Income Taxes	1,095,740	27.65%

- E. Other Disclosures

## Notes to Financial Statements

- (1) As of December 31, 2014, the Company has \$0 of net operating loss carryforwards.
- (2) The following are income taxes incurred in the current and prior years which would be available for recoupment in the event of future net losses:

2014	\$1,197,786
2013	\$0

**F. Consolidated Federal Income Tax Return**

The Company's federal income tax return is consolidated with the following entities:  
Trusted Health Plans, Inc.

Federal income tax will be allocated to the Company as if the Company were filing a separate income tax return. The Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

**G. Federal or Foreign Income Tax Loss Contingencies - None**

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

A. THP is a wholly owned subsidiary of Trusted Health Plan, Inc., a Delaware holding company. All outstanding shares of THP are owned by the parent company, Trusted Health Plans, Inc., a holding company domiciled in the state of Delaware. THP holds no assets or shares of stock in Trusted Health Plans, Inc.

B. and C. The Company received a surplus infusion of \$1,335,000 in April, 2014 from Trusted Health Plans, (Delaware), Inc. (Parent Company).

D. THP does not have any affiliated or subsidiary or related parties other than Trusted Health Plans, Inc., the parent company.

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

F. THP has office lease agreements and material management contracts.

G. THP is a wholly owned subsidiary of Trusted Health Plans, Inc.

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 SCAs - None

K. Investment in Foreign Insurance Subsidiary - None

L. Investment 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

(1) Change in benefit obligation – None

(2) Change in plan assets- None

(3) Funded status - None

(4) Components of net periodic benefit cost - None

(5) The amount included in unassigned funds (surplus) for the period arising from a change in the additional minimum pension liability recognized - None

(6) Amounts in unassigned funds (surplus expected to be recognized in the next fiscal year as components of net periodic benefit cost - None

## Notes to Financial Statements

(7) Amounts in unassigned funds (surplus) that have not been recognized as components of net periodic benefit cost - None

(8) Weighted-average assumptions used to determine net period benefit cost - None

(9) The amount of accumulated benefit obligation for defined benefit pension plans - None

(10) – (11) The defined benefit pension plan asset allocation as of the measurement date, and the target asset allocation, presented as a percentage of total plan assets - None

(12) Estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years- None

(13) Regulatory contribution requirements - None

(14) – (21) - None

B. Narrative Description of Investment Policies and Strategies – Not applicable.

C. Fair Value of Plan Assets – Not applicable.

D. Narrative Description of Basis Used to Determine Expected L-T Rate-of Return – Not applicable.

E. Defined Contribution Plans – THP sponsored a 401K plan (The “Plan”) for its employees beginning in 2013. Employees were eligible to participate in the Plan if they were at least 18 years of age and had completed three consecutive months of employment at the Company. The Company may make a discretionary matching contribution to the Plan. For the year ended December 14, 2014, the Company did not make any matching contributions.

F. Multi-Employer Plan – None

G. Consolidated/Holding Company Plans – None

H. Post-Employment Benefits and Compensated Absences – None

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

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

1. THP has 1,000,000 shares of common stock issued and outstanding at December 31, 2013 with a par value of \$0.01 each. In the first quarter of 2014, the Company made a correction of the outstanding common stock on page 3, line 26 from the prior year reporting of \$9,000 to \$1,000. The additional \$8,000 should have been reported as paid in surplus.
2. THP has not issued any preferred stock.
3. THP has no dividend restrictions other than imposed by DISB statutes.
4. The Company did not declare or pay dividends during 2014.
5. Portions of Company’s profit paid as ordinary dividends to stockholders: None
6. Description of any restrictions on unassigned funds: None
7. Total amount of advances to surplus not repaid: None
8. Total amount of stock held by the company for special purposes: None
9. Reasons for changes in the balances of any special surplus funds: None
10. Portion of unassigned funds represented or reduced by unrealized gains or losses is \$0.
11. The company issued the following surplus debentures: None
12. Impact of restatement in a quasi-reorganization: None
13. Effective date of quasi-reorganization: None

### 14. Contingencies

A. Contingent Commitments – None

B. Assessments – None

C. Gain Contingencies – None

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

**Notes to Financial Statements**

E. All Other Contingencies – None

**15. Leases**

A. Lease Operating Lease

(1) THP is obligated under several non-cancelable operating leases for office space and office equipment. Total rent expense was \$350,615 for the year ended December 31, 2014.

(2) At December 31, 2014, the minimum aggregate rental commitments are as follows:

2015	\$339,158
2016	\$94,719
2017	\$94,719
2018	\$59,199
2019	0
Total	<u>\$587,795</u>

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

B. Lessor Leases – None

**16. Information 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

(1) Description of loaned securities – None

(2) Servicing Assets and Liabilities

a. Risks inherent in servicing assets and servicing liabilities – None

b. Amount of contractually specified servicing fees, late fees and ancillary fees earned for each period – None

c. Assumptions used to estimate the fair value – None

(3) Servicing assets and servicing liabilities are subsequently measured at fair value – None

(4) For securitizations, asset-backed financing arrangements, and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the glossary of the Accounting Practices & Procedures Manual) with the transferred financial assets:

a. Each income statement presented – None

b. Each statement of financial position presented, regardless of when the transfer occurred – None

(5) Transfers of financial assets accounted for as secured borrowing value – None

(6) Transfers of receivables with recourse – None

(7) Securities underlying repurchase and reverse repurchase agreements – None

C. Wash Sales – None

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

A. ASO Plans – None

B. ASC Plans – None

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – None

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

## Notes to Financial Statements

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 - None

#### D. Not Practicable to Estimate Fair Value – None

### 21. Other Items

- A. Extraordinary Items – None
- B. Troubled Debt Restructuring – None
- C. Other Disclosures and Unusual Items – None
- D. Business Interruption Insurance Recoveries – None
- E. State Transferable and Non-transferable Tax Credits – None
- F. Subprime-Mortgage-Related Risk Exposure – None
- G. Retained Assets – None

### 22. Events Subsequent

#### Type I – Recognized Subsequent Events

Subsequent events have been considered through February 28, 2015 for the Statutory statement issued on December 31, 2014.

None.

#### Type II – Nonrecognized Subsequent Events

Subsequent events have been considered through February 28, 2015 for the Statutory statement issued on December 31, 2014.

On January 1, 2015, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2014, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2015, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2015 to be \$445,722. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by 10.693%. Reporting the ACA assessment as of December 31, 2014, would not have triggered and RBC action level.

		Current Year	Prior Year
A.	ACA fee assessment payable for the upcoming year	\$445,722	\$186,986
B.	ACA fee assessment paid	\$191,380	
C.	Premium written subject to ACA 9010 assessment	\$119,742,533	\$50,786,926
D.	Total Adjusted Capital before surplus adjustment	8,684,549	
E.	Authorized Control Level before surplus adjustment	4,181,196	
F.	Total Adjusted Capital after surplus adjustment	8,238,827	
G.	Authorized Control Level after surplus adjustment	4,181,900	
H.	Would reporting the ACA assessment as of December 31, 2014, have triggered an RBC action level (Yes/NO)?	Yes	

### 23. Reinsurance

#### A. Ceded Reinsurance Report

## Notes to Financial Statements

### 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 THP 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

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

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

A. The method used by the reporting entity to estimate accrued retrospective premium adjustments – Not applicable

B. Accrual of retrospective premiums recorded through written premium or as an adjustment to earned premium – Not applicable.

C. Amount of net premiums written that are subject to retrospective rating features, as well as the corresponding percentage to total net premiums written – Not applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act - Not Applicable

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

- (1) Did the reporting entity write accident and health insurance premiums that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?    No

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities, and Revenue for the Current Year - None

(3) Rollforward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reason for any adjustments to prior year balance. - None

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

Reserves as of December 31, 2013 were \$7,685,287 for unpaid claims and \$0 for unpaid claims adjustment expenses. As of December 31, 2014, \$11,854,757 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0 as a result of

**Notes to Financial Statements**

re-estimation of unpaid claims and claim adjustment expenses. Therefore there has been a \$4,169,470 unfavorable prior year development since December 31, 2013 to December 31, 2014.

**26. Intercompany Pooling Arrangements**

None

**27. Structured Settlements**

None

**28. Health Care Receivables**

A. Pharmaceutical Rebate Receivables - None

B. Risk Sharing Receivables - None

**29. Participating Policies**

None

**30. Premium Deficiency Reserves**

1. Liability carried for premium deficiency reserves	\$ 0
2. Date of the most recent evaluation of this liability	<u>12/31/2014</u>
3. Was anticipated investment income utilized in the calculation? (Yes / No)	<u>No</u>

**31. Anticipated Salvage and Subrogation**

THP's subrogation recoveries are considered immaterial as a result of the population served. Plan members are almost entirely TANF recipients eligible only for Medicaid health coverage. Recoveries typically result from non-routine healthcare matters, such as auto accidents. During the year-ended December 31, 2014, THP recorded \$0 in subrogation recoveries as reductions in medical costs.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[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[ ]  
District of Columbia
- 1.3 State Regulating? District 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. 12/31/2013
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 01/31/2012
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/08/2012
- 3.4 By what department or departments?
- 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 6 City Place Drive Suite 900, St. Louis, MO 63141
- 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[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?



## GENERAL INTERROGATORIES (Continued)

Thomas L. Handley, FSA, MAAA Lewis & Ellis, Inc. 11225 College Blvd., Suite 320 Overland Park, KS 66210

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes  No
- 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
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes  No  N/A
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes  No  N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes  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
- 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
- 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
- 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  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  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  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
- 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
- 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
- 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
- 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
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes  No  N/A
- 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

## GENERAL INTERROGATORIES (Continued)

- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[ ] No[ ] N/A[X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[ ] No[ ] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0
- 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0
- 24.103 Total payable for securities lending reported on the liability page. \$ ..... 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[ ]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ ..... 0
- 25.22 Subject to reverse repurchase agreements \$ ..... 0
- 25.23 Subject to dollar repurchase agreements \$ ..... 0
- 25.24 Subject to reverse dollar repurchase agreements \$ ..... 0
- 25.25 Placed under option agreements \$ ..... 0
- 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ ..... 0
- 25.27 FHLB Capital Stock \$ ..... 0
- 25.28 On deposit with states \$ ..... 300,664
- 25.29 On deposit with other regulatory bodies \$ ..... 0
- 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ ..... 0
- 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ ..... 0
- 25.32 Other \$ ..... 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Branch Banking & Trust Co. ....	815 Connecticut Avenue NW Washington DC 20006 .....	The Company currently only has cash bank accounts. ....

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

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

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

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

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

## GENERAL INTERROGATORIES (Continued)

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

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

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

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

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

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

- 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? \$ ..... 29,125
- 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
Medicaid Health Plans of America .....	26,000

- 34.1 Amount of payments for legal expenses, if any? \$ ..... 469,216
- 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
REED SMITH LLP .....	288,231

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

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

# GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes  No
- 1.2 If yes, indicate premium earned on U.S. business only: \$ ..... 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?  
1.31 Reason for excluding: \$ ..... 0
- 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 .....	119,092,512	50,503,059
2.2 Premium Denominator .....	119,092,512	50,503,059
2.3 Premium Ratio (2.1 / 2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	11,981,448	7,685,287
2.5 Reserve Denominator .....	11,981,448	7,685,287
2.6 Reserve Ratio (2.4 / 2.5) .....	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes  No
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes  No
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes  No  N/A
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes  No
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
  - 5.31 Comprehensive Medical \$ ..... 345,000
  - 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:  
Provider agreements contain hold-harmless provisions. The Company also has insolvency protection in its stop loss reinsurance contract.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes  No
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
  - 8.1 Number of providers at start of reporting year ..... 2,248
  - 8.2 Number of providers at end of reporting year ..... 2,503
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes  No
- 9.2 If yes, direct premium earned:
  - 9.21 Business with rate guarantees between 15-36 months ..... 0
  - 9.22 Business with rate guarantees over 36 months ..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes  No
- 10.2 If yes:
  - 10.21 Maximum amount payable bonuses \$ ..... 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
  - 11.13 An Individual Practice Association (IPA), or, Yes  No
  - 11.14 A Mixed Model (combination of above)? Yes  No
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes  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. \$ ..... 2,394,581
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes  No
- 11.6 If the amount is calculated, show the calculation.  
Per DC Code § 31-3412 (a)(2) " . . . every health maintenance organization must maintain a minimum net worth equal to the greater of: (A) \$1,000,000; (B) two percent on annual dues revenues as reported on the most recent annual financial statement filed with the Commissioner on the first \$150,000,000 of dues and 1% of annual dues on dues in excess of \$150,000,000. Trusted Health Plan's calculation: 2% of \$119,742,533 = \$2,394,581
- 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
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ ..... 0
- 13.3 Do you act as an administrator for health savings accounts? Yes  No
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ ..... 0

## GENERAL INTERROGATORIES (Continued)

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?  
 14.2 If the answer to 14.1 is yes, please provide the following:

Yes  No  N/A

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

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

15.1 Direct Premium Written	\$ ..... 0
15.2 Total incurred claims	\$ ..... 0
15.2 Number of covered lives	..... 0

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

**FIVE-YEAR HISTORICAL DATA**

	1 2014	2 2013	3 2012	4 2011	5 2010
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	25,974,362	12,709,040	1,540,253		
2. TOTAL Liabilities (Page 3, Line 24) .....	17,289,813	9,223,757			
3. Statutory surplus .....	2,394,851	1,015,739			
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	8,684,549	3,485,284	1,540,253		
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	119,092,512	50,503,059			
6. TOTAL Medical and Hospital Expenses (Line 18) .....	97,806,126	45,129,102			
7. Claims adjustment expenses (Line 20) .....	4,852,563	1,723,403			
8. TOTAL Administrative Expenses (Line 21) .....	12,110,183	3,872,788			
9. Net underwriting gain (loss) (Line 24) .....	4,323,640	(222,234)			
10. Net investment gain (loss) (Line 27) .....	2,253	(1,335)			
11. TOTAL Other Income (Lines 28 plus 29) .....	(25,450)				
12. Net income or (loss) (Line 32) .....	3,000,611	(223,569)			
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	8,284,081	7,758,380			
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	8,684,549	4,702,092			
15. Authorized control level risk-based capital .....	4,181,196	2,248,679			
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	31,044	26,710			
17. TOTAL Members Months (Column 6, Line 7) .....	350,497	162,210			
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	82.1	89.4			
20. Cost containment expenses .....	1.9	1.8			
21. Other claims adjustment expenses .....	2.2	1.6			
22. TOTAL Underwriting Deductions (Line 23) .....	96.4	100.4			
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	3.6	(0.4)			
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	11,854,756				
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	7,685,286				
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. TOTAL of Above Lines 26 to 31 .....					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above .....					

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

If no, please explain::

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

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	L	7,748,647		111,993,886			119,742,533		
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 Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	7,748,647		111,993,886			119,742,533		
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) ... 1	7,748,647		111,993,886			119,742,533		
<b>DETAILS OF WRITE-INS</b>									
58001	X X X								
58002	X X X								
58003	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

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

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

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





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