



ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2016

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	DC		
Country of Domicile	United States of America					
Licensed as business type:	<input type="checkbox"/> Life, Accident & Health[] <input type="checkbox"/> Dental Service Corporation[] <input type="checkbox"/> Other[]		<input type="checkbox"/> Property/Casualty[] <input type="checkbox"/> Vision Service Corporation[] <input type="checkbox"/> Is HMO Federally Qualified? Yes[] No[X] N/A[]		<input type="checkbox"/> Hospital, Medical & Dental Service or Indemnity[] <input type="checkbox"/> 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.trustedhp.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	Chief Executive Officer
Cleveland Eugene Slade	Chief Financial Officer
Sherman Scott Pickens	Chief Operating Officer #
Douglas MacArthur Redd	Chief Information Officer

OTHERS

DIRECTORS OR TRUSTEES

Thomas Michael Duncan	Eddie Leon Hall
Jack NMN Martin	Thomas Andrew Scully
Quinn Dean Studder #	

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.

(Signature)	(Signature)	(Signature)
Thomas Michael Duncan	Cleveland Eugene Slade	Sherman Scott Pickens
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chief Executive Officer	Chief Financial Officer	Chief Operating Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2017

- 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	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1-2)	Net Admitted Assets
1. Bonds (Schedule D)	28,964,502		28,964,502	
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 (\$.....13,046,047, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....1,001,110, Schedule DA)	14,047,157		14,047,157	37,236,745
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)	43,011,659		43,011,659	37,236,745
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	220,760		220,760	
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,459,975		1,459,975	1,639,436
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 (\$.....0) and contracts subject to redetermination (\$.....0)				
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	333,276	161,775	171,501	58,946
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	327,862	142,296	185,566	92,565
21. Furniture and equipment, including health care delivery assets (\$.....0)	212,141	212,141		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....0) and other amounts receivable				819,669
25. Aggregate write-ins for other than invested assets	353,454	353,454		
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	45,919,127	869,666	45,049,461	39,847,361
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	45,919,127	869,666	45,049,461	39,847,361
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	37,439	37,439		
2502. Employee Advances	774	774		
2503. Deposits	108,110	108,110		
2598. Summary of remaining write-ins for Line 25 from overflow page	207,131	207,131		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	353,454	353,454		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	24,188,697		24,188,697	21,448,292
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	61,637		61,637	416,910
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	5,357,999		5,357,999	4,773,383
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))	275,332		275,332	814,772
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	9,701		9,701	5
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	252,348		252,348	111,837
16. Derivatives				
17. Payable for securities	68,588		68,588	
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)	30,214,302		30,214,302	27,565,199
25. Aggregate write-ins for special surplus funds	X X X	X X X		1,723,486
26. Common capital stock	X X X	X X X	1,000,000	1,000
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	5,835,000	6,834,000
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	8,000,159	3,723,676
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.20 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	14,835,159	12,282,162
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	45,049,461	39,847,361
DETAILS OF WRITE-INS				
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 2016	X X X	X X X		1,723,486
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		1,723,486
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	387,098	365,118
2. Net premium income (including \$.....0 non-health premium income)	X X X	147,423,196	131,563,782
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	147,423,196	131,563,782
Hospital and Medical:			
9. Hospital/medical benefits		92,319,324	84,816,553
10. Other professional services		11,946,809	10,920,266
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		12,047,138	8,307,836
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		116,313,271	104,044,655
Less:			
17. Net reinsurance recoveries		256,497	32,803
18. TOTAL Hospital and Medical (Lines 16 minus 17)		116,056,774	104,011,852
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....6,414,406 cost containment expenses		9,129,147	6,301,366
21. General administrative expenses		16,070,126	14,235,571
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)		141,256,047	124,548,789
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	6,167,149	7,014,993
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		332,725	4,394
26. Net realized capital gains (losses) less capital gains tax of \$.....0		(33,665)	
27. Net investment gains (losses) (Lines 25 plus 26)		299,060	4,394
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			
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	6,466,209	7,019,387
31. Federal and foreign income taxes incurred	X X X	2,227,055	2,691,304
32. Net income (loss) (Lines 30 minus 31)	X X X	4,239,154	4,328,083
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
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			
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)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	12,282,162	8,684,549
34.	Net income or (loss) from Line 32	4,239,154	4,328,083
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	3,033	
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	14,618	216,612
39.	Change in nonadmitted assets	13,109	(354,928)
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	999,000	
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	(999,000)	
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders	(1,840,000)	(314,417)
47.	Aggregate write-ins for gains or (losses) in surplus	123,082	(277,734)
48.	Net change in capital and surplus (Lines 34 to 47)	2,552,996	3,597,616
49.	Capital and surplus end of reporting year (Line 33 plus 48)	14,835,158	12,282,165
DETAILS OF WRITE-INS			
4701.	Prior Period Adjustments	123,082	(277,734)
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)	123,082	(277,734)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	147,602,657	133,743,018
2.	Net investment income	267,985	4,394
3.	Miscellaneous income		
4.	TOTAL (Lines 1 through 3)	147,870,642	133,747,412
5.	Benefit and loss related payments	112,675,091	94,545,008
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		5
7.	Commissions, expenses paid and aggregate write-ins for deductions	24,969,930	20,212,221
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	2,766,495	2,319,318
10.	TOTAL (Lines 5 through 9)	140,411,516	117,076,552
11.	Net cash from operations (Line 4 minus Line 10)	7,459,126	16,670,860
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	1,564,090	
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	68,589	
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	1,632,678	
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	30,715,244	
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)	30,715,244	
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)	(29,082,565)	
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders	1,840,000	314,417
16.6	Other cash provided (applied)	273,851	(817,889)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,566,149)	(1,132,306)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(23,189,588)	15,538,554
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	37,236,745	21,698,191
19.2	End of year (Line 18 plus Line 19.1)	14,047,157	37,236,745

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	147,423,196	11,229,882						136,193,314		
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)	147,423,196	11,229,882						136,193,314		
8. Hospital/medical benefits	92,319,324	8,421,032						83,898,292		X X X
9. Other professional services	11,946,809	537,041						11,409,768		X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area										X X X
12. Prescription drugs	12,047,138	642,652						11,404,486		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)	116,313,271	9,600,725						106,712,546		X X X
16. Net reinsurance recoveries	256,497							256,497		X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	116,056,774	9,600,725						106,456,049		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 \$.....6,414,406 cost containment expenses	9,129,147	931,798						8,197,349		
20. General administrative expenses	16,070,126	1,167,163					757,083	14,145,880		
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)	141,256,047	11,699,686					757,083	128,799,278		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	6,167,149	(469,804)					(757,083)	7,394,036		
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										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

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)	11,259,267		29,385	11,229,882
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid	136,460,991		267,677	136,193,314
8. Other health				
9. Health subtotal (Lines 1 through 8)	147,720,258		297,062	147,423,196
10. Life				
11. Property/casualty				
12. TOTALS (Lines 9 to 11)	147,720,258		297,062	147,423,196

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	112,753,197	10,403,868						102,349,329		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	256,497							256,497		
1.4 Net	112,496,700	10,403,868						102,092,832		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	24,188,697	3,054,014						21,134,683		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	24,188,697	3,054,014						21,134,683		
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)	(819,669)							(819,669)		
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	21,448,292	3,857,157						17,591,135		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	21,448,292	3,857,157						17,591,135		
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	116,313,271	9,600,725						106,712,546		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	256,497							256,497		
12.4 Net	116,056,774	9,600,725						106,456,049		
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	656,969	82,948						574,021		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	656,969	82,948						574,021		
2. Incurred but Unreported:										
2.1 Direct	23,531,728	2,971,066						20,560,662		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	23,531,728	2,971,066						20,560,662		
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	24,188,697	3,054,014						21,134,683		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	24,188,697	3,054,014						21,134,683		

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	2,184,214	8,219,653	167,293	2,886,721	2,351,507	3,857,157
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	17,246,200	84,846,632	1,399,697	19,734,986	18,645,897	17,591,135
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	19,430,414	93,066,285	1,566,990	22,621,707	20,997,404	21,448,292
10.	Healthcare receivables (a)						819,669
11.	Other non-health						
12.	Medical incentive pool and bonus amounts						
13.	TOTALS (Lines 9 - 10 + 11 + 12)	19,430,414	93,066,285	1,566,990	22,621,707	20,997,404	20,628,623

(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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	X X X	37,444	49,299	48,962	49,085
4. 2014	X X X	X X X	81,656	95,451	96,507
5. 2015	X X X	X X X	X X X	81,086	99,337
6. 2016	X X X	X X X	X X X	X X X	93,885

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	X X X	45,129	49,299	48,962	49,085
4. 2014	X X X	X X X	93,637	96,035	96,507
5. 2015	X X X	X X X	X X X	101,950	100,904
6. 2016	X X X	X X X	X X X	X X X	116,507

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. 2012										
2. 2013	50,503	49,085	2,899	5.906	51,984	102.932			51,984	102.932
3. 2014	119,092	96,507	7,692	7.970	104,199	87.495			104,199	87.495
4. 2015	131,563	99,337	6,804	6.849	106,141	80.677	1,567	3	107,711	81.870
5. 2016	147,423	93,885	7,543	8.034	101,428	68.801	22,622	54	124,104	84.182

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	X X X	3,205	3,891	3,842	3,842
4. 2014	X X X	X X X	6,469	7,868	7,868
5. 2015	X X X	X X X	X X X	6,307	8,491
6. 2016	X X X	X X X	X X X	X X X	8,219

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	X X X	4,215	3,891	3,842	3,842
4. 2014	X X X	X X X	7,488	7,967	7,868
5. 2015	X X X	X X X	X X X	10,065	8,658
6. 2016	X X X	X X X	X X X	X X X	11,106

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. 2012										
2. 2013	2,579	3,842	178	4.633	4,020	155.874			4,020	155.874
3. 2014	7,692	7,868	684	8.693	8,552	111.180			8,552	111.180
4. 2015	8,987	8,491	726	8.550	9,217	102.559	167		9,384	104.417
5. 2016	11,230	8,219	754	9.174	8,973	79.902	2,887	7	11,867	105.672

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	X X X	34,239	45,408	45,120	45,243
4. 2014	X X X	X X X	75,187	87,583	88,639
5. 2015	X X X	X X X	X X X	74,779	90,846
6. 2016	X X X	X X X	X X X	X X X	85,666

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	X X X	40,914	45,408	45,120	45,243
4. 2014	X X X	X X X	86,149	88,068	88,639
5. 2015	X X X	X X X	X X X	91,885	92,246
6. 2016	X X X	X X X	X X X	X X X	105,401

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. 2012										
2. 2013	47,924	45,243	2,721	6.014	47,964	100.083			47,964	100.083
3. 2014	111,400	88,639	7,008	7.906	95,647	85.859			95,647	85.859
4. 2015	122,576	90,846	6,078	6.690	96,924	79.073	1,400	3	98,327	80.217
5. 2016	136,193	85,666	6,789	7.925	92,455	67.885	19,735	47	112,237	82.410

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)	113,873		366,950		480,823
2. Salaries, wages and other benefits	3,188,651	1,665,157	4,885,350		9,739,158
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4. Legal fees and expenses		82,267	285,605		367,872
5. Certifications and accreditation fees	5,590	29,686	93,027		128,303
6. Auditing, actuarial and other consulting services		118,934	412,899		531,833
7. Traveling expenses	88,627	157,274	529,854		775,755
8. Marketing and advertising	113,292	76,893	266,945		457,130
9. Postage, express and telephone	40,575	22,343	76,351		139,269
10. Printing and office supplies	139,828	66,444	230,671		436,943
11. Occupancy, depreciation and amortization		82,869	287,694		370,563
12. Equipment	2,345	8,065	27,997		38,407
13. Cost or depreciation of EDP equipment and software	29,837	66,738	231,692		328,267
14. Outsourced services including EDP, claims, and other services	2,372,357		3,588,792		5,961,149
15. Boards, bureaus and association fees					
16. Insurance, except on real estate	49,857	12,218	42,000		104,075
17. Collection and bank service charges					
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			2,963,065		2,963,065
23.3 Regulatory authority licenses and fees	28,495		709,780		738,275
23.4 Payroll taxes	234,365	115,663	341,759		691,787
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere				24,935	24,935
25. Aggregate write-ins for expenses	6,714	210,187	729,698		946,599
26. TOTAL Expenses Incurred (Lines 1 to 25)	6,414,406	2,714,738	16,070,129	24,935	(a) 25,224,208
27. Less expenses unpaid December 31, current year			5,357,999		5,357,999
28. Add expenses unpaid December 31, prior year			4,773,383		4,773,383
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)	6,414,406	2,714,738	15,485,513	24,935	24,639,592
DETAILS OF WRITE-INS					
2501. Contributions and Sponsorships	6,714				6,714
2502. Government Relations					
2503. Miscellaneous Administrative Expenses		210,187	729,698		939,885
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	6,714	210,187	729,698		946,599

(a) Includes management fees of \$.....3,003,237 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) 1,353	3,781
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 126,070	339,383
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) (1,506)	14,496
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	125,917	357,660
11. Investment expenses		(g) 24,935
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)		24,935
17. Net Investment income (Line 10 minus Line 16)		332,725

DETAILS OF WRITE-INS

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

- (a) Includes \$.....497 accrual of discount less \$.....156,517 amortization of premium and less \$.....194,572 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 \$.....2,264 amortization of premium and less \$.....5,911 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(46)		(46)	3,033	
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(33,618)		(33,618)		
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	1		1		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	(33,664)		(33,664)	3,033	

DETAILS OF WRITE-INS

0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
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			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
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	161,775	259,712	97,937
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	142,296	274,500	132,204
21. Furniture and equipment, including health care delivery assets	212,141	173,500	(38,641)
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			
25. Aggregate write-ins for other than invested assets	353,454	175,063	(178,391)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	869,666	882,775	13,109
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	869,666	882,775	13,109
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Expenses	37,439	108,197	70,758
2502. Employee Advances	774	1,559	785
2503. Deposits	108,110	16,735	(91,375)
2598. Summary of remaining write-ins for Line 25 from overflow page	207,131	48,572	(158,559)
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	353,454	175,063	(178,391)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations	31,326	32,726	32,656	31,053	33,608	387,098
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	31,326	32,726	32,656	31,053	33,608	387,098
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

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:

	SSAP #	F/S Page	F/S Line #	2016	2015
<u>NET INCOME</u>					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	4,239,154	4,328,083
(2) State Prescribed Practices that increase/decrease NAIC SAP:					
(3) State Permitted Practices that increase/(decrease) NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	4,239,154	4,328,183
<u>SURPLUS</u>					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	14,835,159	12,282,162
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:					
(7) State Permitted Practices that increase/(decrease) NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	14,835,159	12,282,162

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
- (3) Common stocks – None

Notes to Financial Statements

- (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.

D. Going Concern - None

2. Accounting Changes and Corrections of Errors

The Company made corrections to the 2016 financial statements related to the following items:

<u>Description</u>	<u>Adjustments</u>	<u>Description of Transaction</u>
Due to THP Delaware	\$111,837.00	Audit Adjustments to Deferred Tax Asset
Federal Tax Provision Liability 4%	11,245.00	Audit Adjustments to Deferred Tax Asset
	\$ 123,082.00	

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

Notes to Financial Statements

- (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:
 - 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 repledged – 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 repledged – None
- (6) Collateral accepted that it is not permitted by contract or custom to sell or repledge – 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	7
	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted and Nonadmitted) Restricted to Total Assets	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	\$301,145	\$300,886	\$259	\$0	\$301,145	0.65%	0.66%
k. On deposit with other regulatory bodies
l. Pledged as collateral to FHLB (including assets backing funding agreements)
m. Pledged as collateral not captured in other categories
n. Other restricted assets
o. Total Restricted Assets	\$301,145	\$300,886	\$259	\$0	\$301,145	0.65%	0.66%

- (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

Notes to Financial Statements

(3) Events of Default – None

J. Offsetting and Netting of Assets and Liabilities – None

K. Structured Notes – None

L. 5* Securities - None

6. Joint Ventures, Partnerships and Limited Liability Companies

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

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:

In May the Company invested \$30,000,000 of its cash into the marketplace. 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

Trusted Healthcare Plan (District of Columbia), Inc.										
Statutory Footnote										
December 31, 2016										
Note 9 - Income Taxes										
A. The components of the net deferred tax asset/(liability) at December 31 are as follows:										
1.		December 31, 2016			December 31, 2015			Change		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a)	Gross Deferred Tax Assets	385,640	1,031	386,671	423,788	-	423,788	(38,148)	1,031	(37,117)
(b)	Statutory Valuation Allowance Adjustments	-	-	-	-	-	-	-	-	-
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	385,640	1,031	386,671	423,788	-	423,788	(38,148)	1,031	(37,117)
(d)	Deferred Tax Assets Nonadmitted	160,744	1,031	161,775	106,712	-	106,712	54,032	1,031	55,063
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	224,896	-	224,896	317,076	-	317,076	(92,180)	-	(92,180)
(f)	Deferred Tax Liabilities	53,395	-	53,395	105,130	-	105,130	(51,735)	-	(51,735)
(g)	Net Admitted Deferred Tax Asset / (Net Deferred Tax Liability) (1e - 1f)	171,501	-	171,501	211,946	-	211,946	(40,445)	-	(40,445)
2.		December 31, 2016			December 31, 2015			Change		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
Admission Calculation Components										
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	171,501	-	171,501	211,946	-	211,946	(40,445)	-	(40,445)
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount of Deferred Tax Assets from 2(a) above) after application of the Threshold Limitation (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	\$ 171,501	\$ -	\$ 171,501	\$ 211,946	\$ -	\$ 211,946	\$ (40,445)	\$ -	\$ (40,445)
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	\$ 2,215,452	XXX	XXX	\$ 1,213,065	XXX	XXX	\$ 1,002,387
(c)	Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	\$ 53,395	\$ -	\$ 53,395	\$ 105,130	\$ -	\$ 105,130	\$ (51,735)	\$ -	\$ (51,735)
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101									
	Total 2(a) + 2(b) + 2(c)	\$ 224,896	\$ -	\$ 224,896	\$ 317,076	\$ -	\$ 317,076	\$ (92,180)	\$ -	\$ (92,180)
3.		2016	2015							
(a)	Ratio percentage used to determine Recovery Period and Threshold Limitation Amount	336%	295%							
(b)	Amount of Adjusted Capital and Surplus Used to Determine Recovery Period And Threshold Limitation in 2(b)2 above	\$ 14,769,681	12,953,250							

Notes to Financial Statements

4.		December 31, 2016		December 31, 2015		Change	
		(1)	(2)	(3)	(4)	(5)	(6)
		Ordinary	Capital	Ordinary	Capital	(Col 1 - 3) Ordinary	(Col 2 - 4) Capital
	Impact of Tax-Planning Strategies						
(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)	0%	0%	0%	0%	0%	0%
2.	Percentage 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)	0%	0%	0%	0%	0%	0%
4.	Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Admitted Because of the Impact of Tax Planning Strategies	0%	0%	0%	0%	0%	0%
(b)	Does the Company's tax-planning strategies include the use of reinsurance?			Yes _____	No _____		

B.	Unrecognized DTLs				
	Not applicable.				
C.	Current income taxes incurred consist of the following major components:				
1.	Current income tax	12/31/16	12/31/15	Change	
(a)	Federal	2,103,761	2,579,646	(475,885)	
(b)	Foreign	-	-	-	
(c)	Subtotal	2,103,761	2,579,646	(475,885)	
(d)	Federal income tax on net capital gains	-	-	-	
(e)	Utilization of capital loss carry-forwards	-	-	-	
(f)	Other	123,294	(33,299)	156,593	
(g)	Federal and foreign income taxes incurred	2,227,055	2,546,347	(319,292)	
2.	Deferred Tax Assets:				
(a)	Ordinary:				
(1)	Discounting of unpaid losses	59,957	58,946	1,011	
(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	-	153,000	(153,000)	
(9)	Pension accrual	-	-	-	
(10)	Receivables - nonadmitted	56,603	-	56,603	
(11)	Net operating loss carry-forward	-	-	-	
(12)	Tax credit carry-forward	-	-	-	
(13)	Other (including items <5% of total ordinary tax assets)	269,080	211,842	57,238	
(99)	Subtotal	385,640	423,788	(38,148)	
(b)	Statutory valuation allowance adjustment	-	-	-	
(c)	Nonadmitted	160,744	106,712	54,032	
(d)	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	224,896	317,076	(92,180)	
(e)	Capital:				

Notes to Financial Statements

(1)	Investments	1,031	-	1,031
(2)	Net capital loss carry-forward	-	-	-
(3)	Real estate	-	-	-
(4)	Other (including items <5% of total capital tax assets)	-	-	-
(99)	Subtotal	1,031	-	1,031
(f)	Statutory valuation allowance adjustment	-	-	-
(g)	Nonadmitted	1,031	-	1,031
(h)	Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i)	Admitted deferred tax assets (2d + 2h)	224,896	317,076	(92,180)
3.	Deferred Tax Liabilities:			
(a)	Ordinary			
(1)	Investments	-	-	-
(2)	Fixed assets	53,395	105,130	(51,735)
(3)	Deferred and uncollected premium	-	-	-
(4)	Policyholder reserves	-	-	-
(5)	Other (including items <5% of total ordinary tax assets)	-	-	-
(99)	Subtotal	53,395	105,130	(51,735)
(b)	Capital:			
(1)	Investments	-	-	-
(2)	Real estate	-	-	-
(3)	Other (including items <5% of total capital tax assets)	-	-	-
(99)	Subtotal	-	-	-
(c)	Deferred tax liabilities (3a99 + 3b99)	53,395	105,130	(51,735)
4.	Net deferred tax assets/liabilities (2i - 3c)	171,501	211,946	(40,445)

D. Reconciliation of Federal income Tax Rate to Actual Effective Rate

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	Tax Effect @ 34%	Effective Tax Rate
Income before taxes	6,466,209	2,198,511	34.00%
DRD deduction and tax-exempt interest, net	-	-	0.00%
Prior year underaccrual(overaccrual)	(21,126)	(7,183)	-0.11%
Change in nonadmitted assets	(84,826)	(28,841)	-0.45%
Meals and entertainment	87,002	29,581	0.46%
Change in valuation allowance	-	-	0.00%
Other, including expiration of charitable contribution c/f	62,941	21,400	0.33%
Total	6,510,200	2,213,468	34.23%
Federal income taxed incurred [expense/(benefit)]		2,227,055	34.44%
Tax on capital gains		-	0.00%
Change in net deferred income tax [charge/(benefit)]		(13,587)	-0.21%
Total statutory income taxes		2,213,468	34.23%

E. Operating Loss and Tax Credit Carryforwards

(1) At December 31, 2016 the Company had \$0 of net operating loss carryforwards and \$0 of AMT credit carryforwards.

(2) The following is income tax expense for 2016 and 2015 that is available for recoupment in the event of future net losses:

Year	Amount
2016	2,103,761
2015	2,702,687

(3) The aggregate amount of deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code was \$0 as of December 31, 2016.

F. Consolidated Federal Income Tax Return

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

Trusted Health Plans, Inc.

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

Notes to Financial Statements

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 paid cash dividends to Trusted Health Plans, Inc. (Parent Company) on June 22, 2015, totaling \$314,417 and \$1,840,000 on December 20, 2016.

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. Office lease agreements and material management contracts

In April, 2015 the District of Columbia, Department of Insurance, Securities and Banking (DISB) approved a Management and Administrative Services Agreement between Trusted Health Plan (District of Columbia), Inc. and its' Parent Company, Trusted Health Plans, Inc.

The Agreement has a January 1, 2015 effective date.

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

M. SCA Investments disclosure of SCA Balance Sheet – None

N. Investment in Insurance SCA departure from NAIC SAP – None

11. Debt

A. 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

(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

Notes to Financial Statements

(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 31, 2014, the Company did not make any matching contributions. During the quarter ended June 30, 2015, the Company funded the 401K employee match. \$51,126 was made as a matching contribution into the plan, retroactive back to July 1, 2013. For the period ended December 31, 2016 the Plan has contributed \$260,817. At December 31, 2016, the fair value of plan assets was \$699,356.

F.

G. Multi-Employer Plan – None

H. Consolidated/Holding Company Plans – None

I. Post-Employment Benefits and Compensated Absences – None

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

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

1. Capital stock authorized, issued and outstanding – On March 23, 2016 the Board of Directors of Trusted Health Plan (District of Columbia) Inc. approved the change in its common stock per share value from 0.01 to \$10.00 per share as an amendment to its Articles Of Incorporation. The Restated Articles of Incorporation was approved by the District of Columbia Government Corporations Division on April 4, 2016.

2. THP has not issued any preferred stock.

3. Dividend restrictions

Pursuant to D.C. Code §31-706(b), THP is required to receive prior approval from the DC DISB Commissioner before declaring a dividend in excess of 10% of prior year's capital and surplus balance or the prior year's net income balance amount.

4. The Company paid ordinary cash dividends of \$314,417 on June 22, 2015 and \$1,840,000 on December 20, 2016.

5. Portions of Company's profit paid as ordinary dividends to stockholders

Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

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 \$3,033.

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

Notes to Financial Statements

- 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
- E. Joint and Several Liabilities - None
- F. 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 \$420,142 for the year ended December 31, 2016.
- (2) At December 31, 2016, the minimum aggregate rental commitments are as follows:

2017	\$373,696
2018	\$383,972
2019	\$394,531
2020	\$405,381
2021	\$416,529
Total	<u>\$1,974,109</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

Notes to Financial Statements

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

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

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

None

20. Fair Value Measurements

A. Fair Market Value at Reporting Date

- 1. Fair Value Measurements at Reporting Date – None
- 2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None
- 3. The Company does not have any securities valued at fair value.
- 4. The Company has not valued any securities at a Level 3.
- 5. Derivative assets and liabilities – None

B. Fair Value information under SSAP No. 100 combined with Fair Value information Under Other Accounting Pronouncements – None

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$28,211,381	\$28,964,502	\$732,526	\$27,478,855		
Short-term Investments	1,001,110	1,001,110	503,324	497,786		

D. Not Practicable to Estimate Fair Value – None

21. Unusual or Infrequent Items

- A. Unusual or Infrequent Items – None
- B. Troubled Debt Restructuring – None
- C. Other Disclosures – 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
- H. Insurance Linked Securities - None

22. Events Subsequent

Type I – Recognized Subsequent Events

Subsequent events have been considered through February 28, 2017 for the Statutory statement issued on December 31, 2016.

None.

Type II – Nonrecognized Subsequent Events

Subsequent events have been considered through February 28, 2017 for the Statutory statement issued on December 31, 2016.

On January 1, 2017, the Company became subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net

Notes to Financial Statements

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, 2016, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2017, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2017 to be \$0. This amount is reflected in special surplus. Reporting the ACA assessment as of December 31, 2016, would not have triggered and RBC action level.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (Yes/No)?	Yes	
B.	ACA fee assessment payable for the upcoming year	\$-	\$1,723,486
C.	ACA fee assessment paid	\$1,689,994	\$1,570,754
D.	Premium written subject to ACA 9010 assessment	\$147,720,258	\$132,084,154
E.	Total Adjusted Capital before surplus adjustment (<i>Five Year Historical – Line 14</i>)	15,701,413	
F.	Total Adjusted Capital after surplus adjustment (<i>Five Year Historical – Line 14 minus 22B above</i>)	15,701,413	
G.	Authorized Control Level (<i>Five Year Historical – Line 15</i>)	4,872,361	
H.	Would reporting the ACA assessment as of December 31, 2015, have triggered an RBC action level (Yes/NO)?	No	

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

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

Yes () No (X)

- (2) Have any policies issued by the company been reinsured with a company 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

Notes to Financial Statements

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, 2015 were \$21,448,292 for unpaid claims and \$416,910 for unpaid claims adjustment expenses. As of December 31, 2016, \$19,847,415 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$1,566,990 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore there has been a \$450,887 favorable prior year development since December 31, 2015 to December 31, 2016.

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	\$ <u>0</u>
2. Date of the most recent evaluation of this liability	<u>12/31/2016</u>
3. Was anticipated investment income utilized in the calculation? (Yes / No)	<u>No</u>
4.	

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 years ended December 31, 2016 and 2016, 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[X] No[]
- 2.2 If yes, date of change: 04/04/2016
- 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. 05/16/2014
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/26/2014
- 3.4 By what department or departments?
District of Columbia Department of Insurance, Securities and Banking
- 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 locations (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 18A 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?
Kimberly Shores, FSA, MAAA Lewis & Ellis, Inc. 11225 College Blvd., Suite 320 Overland Park, KS 66210

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
 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
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

GENERAL INTERROGATORIES (Continued)

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

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
 - 25.22 Subject to reverse repurchase agreements \$ 0
 - 25.23 Subject to dollar repurchase agreements \$ 0
 - 25.24 Subject to reverse dollar repurchase agreements \$ 0
 - 25.25 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 \$ 301,145
 - 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[X] No[]
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Chevy Chase Trust	7501 Wisconsin Avenue, Suite 1500 W, Bethesda, MD 20814
Charles Schwab	4350 Congress St., Ste 1000, Charlotte, NC 28209

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Trusted Health Plans Inc.	I
Sterling Capital Management - Don Strehle	U
ASSB Capital Management - Michael Stafford	U

- 28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes[X] No[]
- 28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[X] No[]
- 28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
6399145	Sterling Capital Management-Don Strehle		DC	DS
4438699	ASB Capital Management-Michael Stafford		DC, IL, and MD	DS

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes [] No[X]

29.2 If yes, complete the following schedule:

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

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

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	29,965,612	29,212,492	(753,120)
30.2 Preferred stocks			
30.3 Totals	29,965,612	29,212,492	(753,120)

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

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 Investment Analysis Office been followed?

Yes[X] No []

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$ 0

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

1 Name	2 Amount Paid
.....	

34.1 Amount of payments for legal expenses, if any?

\$ 165,249

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
Denton US, LLP	82,733
Reed Smith, LLP	76,515

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.

GENERAL INTERROGATORIES (Continued)

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? \$ 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies - Most current three years:
- 1.61 TOTAL Premium earned \$ 0
- 1.62 TOTAL Incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 TOTAL Premium earned \$ 0
- 1.65 TOTAL Incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies - Most current three years:
- 1.71 TOTAL Premium earned \$ 0
- 1.72 TOTAL Incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 TOTAL Premium earned \$ 0
- 1.75 TOTAL Incurred claims \$ 0
- 1.76 Number of covered lives 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	147,423,196	131,563,762
2.2 Premium Denominator	147,423,196	131,563,782
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	24,188,697	20,983,802
2.5 Reserve Denominator	24,188,697	21,448,292
2.6 Reserve Ratio (2.4 / 2.5)	1.000	0.978

- 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 \$ 525,000
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
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 2,581
- 8.2 Number of providers at end of reporting year 6,365
- 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 Statutory Minimum Capital and Surplus Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.
District of Columbia
- 11.4 If yes, show the amount required. \$ 12,657,526
- 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; ... (D) 8% of health care expenditures (\$112,187,660 x 8%=\$8,975,013) plus 4% of annual hospital expenditures (\$92,062,827 x 4%=\$3,682,513). Total \$12,657,526
- 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?

Yes No N/A

14.2 If the answer to 14.1 is yes, please provide the following:

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

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

- 15.1 Direct Premium Written
- 15.2 Total incurred claims
- 15.2 Number of covered lives

\$ 0
\$ 0
..... 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 2016	2 2015	3 2014	4 2013	5 2012
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	45,049,461	39,847,361	25,974,362	12,709,040	1,540,253
2. TOTAL Liabilities (Page 3, Line 24)	30,214,302	27,565,199	17,289,813	9,223,757	
3. Statutory minimum capital and surplus requirement	12,657,526	4,130,310	2,394,851	1,015,739	
4. TOTAL Capital and Surplus (Page 3, Line 33)	14,835,159	12,282,162	8,684,549	3,485,284	1,540,253
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	147,423,196	131,563,782	119,092,512	50,503,059	
6. TOTAL Medical and Hospital Expenses (Line 18)	116,056,774	104,011,852	97,806,126	45,129,102	
7. Claims adjustment expenses (Line 20)	9,129,147	6,301,366	4,852,563	1,723,403	
8. TOTAL Administrative Expenses (Line 21)	16,070,126	14,235,571	12,110,183	3,872,788	
9. Net underwriting gain (loss) (Line 24)	6,167,149	7,014,993	4,323,640	(222,234)	
10. Net investment gain (loss) (Line 27)	299,060	4,394	2,253	(1,335)	
11. TOTAL Other Income (Lines 28 plus 29)			(25,450)		
12. Net income or (loss) (Line 32)	4,239,154	4,328,083	3,000,611	(223,569)	
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	7,459,126	16,670,860	8,284,081	7,758,380	
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	14,835,159	12,282,162	8,684,549	4,702,092	
15. Authorized control level risk-based capital	4,872,361	4,393,624	4,181,196	2,248,679	
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	33,608	31,326	31,044	26,710	
17. TOTAL Members Months (Column 6, Line 7)	387,098	365,118	350,497	162,210	
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	78.7	79.1	82.1	89.4	
20. Cost containment expenses	4.4	2.6	1.9	1.8	
21. Other claims adjustment expenses	1.8	2.2	2.2	1.6	
22. TOTAL Underwriting Deductions (Line 23)	95.8	94.7	96.4	100.4	
23. TOTAL Underwriting Gain (Loss) (Line 24)	4.2	5.3	3.6	(0.4)	
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	20,997,404	14,043,754	11,854,756		
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	20,628,623	11,775,727	7,685,286		
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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

If no, please explain::

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

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	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	11,259,267		136,460,991				147,720,258	
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	11,259,267		136,460,991				147,720,258	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) ... 1	11,259,267		136,460,991				147,720,258	
DETAILS OF WRITE-INS									
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								

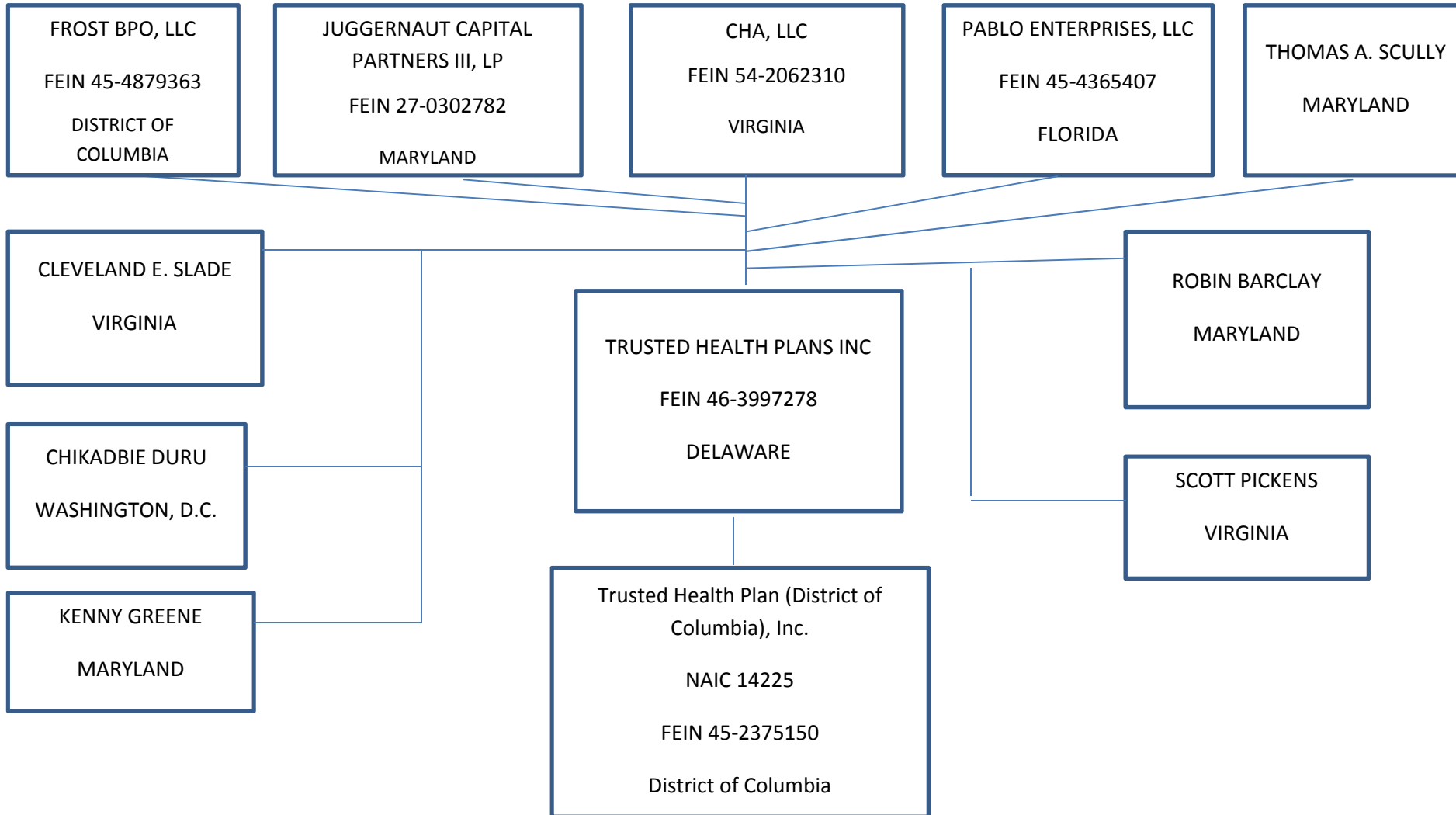
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation by state, premiums by state, 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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