

# **EXHIBIT 2**

**ANNUAL STATEMENT**  
**OF THE**  
**DC CHARTERED HEALTH PLAN, INC.**

**of**  
**Washington**  
**in the state of**  
**District of Columbia**

**TO THE**  
**Insurance Department**  
**OF THE STATE OF**  
**District of Columbia**

For the Year Ending  
DECEMBER 31, 2015

**2015**

HEALTH

**2015**

## Amended Explanation Page

Reason for Amended Filing

Audit adjustment to record interest and penalty on federal income taxes



**ANNUAL STATEMENT**  
**For the Year Ending DECEMBER 31, 2015**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**DC CHARTERED HEALTH PLAN, INC.**

NAIC Group Code 0000, 0000 NAIC Company Code 95748 Employer's ID Number 52-1492499  
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[ ] Property/Casualty[ ] Hospital, Medical & Dental Service or Indemnity[ ]  
 Dental Service Corporation[ ] Vision Service Corporation[ ] Health Maintenance Organization[X]  
 Other[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]

Incorporated/Organized 09/12/1986 Commenced Business 09/12/1986

Statutory Home Office 1120 Vermont Avenue NW, Washington, DC, US 20005  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1120 Vermont Avenue NW  
(Street and Number)

Washington, DC, US 20005 (202)216-2304  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1120 Vermont Avenue NW, Washington, DC, US 20005  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1120 Vermont Avenue NW  
(Street and Number)

Washington, DC, US 20005 (202)216-2304  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.chartered-health.com

Statutory Statement Contact Edward Frederick Oswald (314)495-1234  
(Name) (Area Code)(Telephone Number)(Extension)  
eoswald55@gmail.com  
(E-Mail Address) (Fax Number)

**OFFICERS**

<u>Name</u>	<u>Title</u>
	President Secretary Treasurer

**OTHERS**

Daniel Lawrence Watkins, Special Deputy to the Rehabilitator for DC Charter

**DIRECTORS OR TRUSTEES**

State of District of Columbia  
 County of \_\_\_\_\_ ss

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

_____ (Signature) <b>Daniel Lawrence Watkins</b> _____ (Printed Name) 1. Special Deputy Rehabilitator (Title)	_____ (Signature) <b>Edward Frederick Oswald</b> _____ (Printed Name) 2. Interim CFO (Title)	_____ (Signature) _____ (Printed Name) 3. _____ (Title)
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016

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

Yes[ ] No[X]

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\_\_\_\_\_  
 (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) .....				
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 (\$.....138,736, Schedule E Part 1), cash equivalents (\$.....6,944,357, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) .....	7,083,093		7,083,093	7,856,377
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) .....	7,083,093		7,083,093	7,856,377
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....				
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 .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
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 .....				
25. Aggregate write-ins for other than invested assets .....	71,889	71,889		
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	7,154,982	71,889	7,083,093	7,856,377
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	7,154,982	71,889	7,083,093	7,856,377
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepaid Insurance .....	71,889	71,889		
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	71,889	71,889		

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	10,524,573		10,524,573	10,524,573
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....				
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....	10,476,800		10,476,800	9,988,392
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....86,965 on realized capital gains (losses)) .....	269,058		269,058	182,093
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....				
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$.....0) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....	35,680		35,680	
24. TOTAL Liabilities (Lines 1 to 23) .....	21,306,111		21,306,111	20,695,058
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X	100	100
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X	4,690,419	4,690,419
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
31. Unassigned funds (surplus) .....	X X X	X X X	(18,913,538)	(17,529,199)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	(14,223,019)	(12,838,680)
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	7,083,092	7,856,378
<b>DETAILS OF WRITE-INS</b>				
2301. PENALTY ON FIT PAYABLE .....	35,680		35,680	
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) .....	35,680		35,680	
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X		
2. Net premium income (including \$.....0 non-health premium income)	X X X		36,771
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		36,771
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits		(265,143)	(169,153)
10. Other professional services			21,419
11. Outside referrals			
12. Emergency room and out-of-area			7,529
13. Prescription drugs			(414,710)
14. Aggregate write-ins for other hospital and medical			(368)
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		(265,143)	(555,283)
<b>Less:</b>			
17. Net reinsurance recoveries			
18. TOTAL Hospital and Medical (Lines 16 minus 17)		(265,143)	(555,283)
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....0 cost containment expenses			
21. General administrative expenses		1,598,941	2,102,766
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)		1,333,798	1,547,483
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(1,333,798)	(1,510,712)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		5,466	11,551
26. Net realized capital gains (losses) less capital gains tax of \$.....0			
27. Net investment gains (losses) (Lines 25 plus 26)		5,466	11,551
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		(35,680)	1,592
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	(1,364,012)	(1,497,569)
31. Federal and foreign income taxes incurred	X X X	86,965	182,093
32. Net income (loss) (Lines 30 minus 31)	X X X	(1,450,977)	(1,679,662)
<b>DETAILS OF WRITE-INS</b>			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401. OTHER MEDICAL CLAIMS - DME			(368)
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)			(368)
2901. DENTAL SETTLEMENT WITH DCHF			1,592
2902. PENALTY ON FIT PAYABLE		(35,680)	
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		(35,680)	1,592

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	(12,838,680)	(11,148,455)
34. Net income or (loss) from Line 32 .....	(1,450,977)	(1,679,662)
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....		
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	66,638	(10,564)
40. Change in unauthorized and certified reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....		
43. Cumulative effect of changes in accounting principles .....		
44. Capital Changes:		
44.1 Paid in .....		
44.2 Transferred from surplus (Stock Dividend) .....		
44.3 Transferred to surplus .....		
45. Surplus adjustments:		
45.1 Paid in .....		
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....		
48. Net change in capital and surplus (Lines 34 to 47) .....	(1,384,339)	(1,690,226)
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	(14,223,019)	(12,838,681)
<b>DETAILS OF WRITE-INS</b>		
4701. CORRECTION OF PRIOR PERIOD ACCOUNTING ERROR .....		
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) .....		

**CASH FLOW**

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....		36,771
2.	Net investment income .....	5,466	11,551
3.	Miscellaneous income .....		
4.	TOTAL (Lines 1 through 3) .....	5,466	48,322
5.	Benefit and loss related payments .....	(265,143)	(455,843)
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	1,146,213	2,489,846
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....		
10.	TOTAL (Lines 5 through 9) .....	881,070	2,034,003
11.	Net cash from operations (Line 4 minus Line 10) .....	(875,604)	(1,985,681)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....		
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....		
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....		
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....		
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	102,318	(10,564)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	102,318	(10,564)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(773,286)	(1,996,245)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	7,856,376	9,852,621
19.2	End of year (Line 18 plus Line 19.1) .....	7,083,090	7,856,376

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										
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues										XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
7. TOTAL Revenues (Lines 1 to 6)	(265,143)							(265,143)		
8. Hospital/medical benefits										XXX
9. Other professional services										XXX
10. Outside referrals										XXX
11. Emergency room and out-of-area										XXX
12. Prescription drugs										XXX
13. Aggregate write-ins for other hospital and medical										XXX
14. Incentive pool, withhold adjustments and bonus amounts										XXX
15. Subtotal (Lines 8 to 14)	(265,143)							(265,143)		
16. Net reinsurance recoveries										XXX
17. TOTAL Hospital and Medical (Lines 15 minus 16)	(265,143)							(265,143)		
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX		XXX	
19. Claims adjustment expenses including \$.....0 cost containment expenses										
20. General administrative expenses	1,598,941							1,598,941		
21. Increase in reserves for accident and health contracts										XXX
22. Increase in reserves for life contracts										XXX
23. TOTAL Underwriting Deductions (Lines 17 to 22)	1,333,798	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(1,333,798)							(1,333,798)		
<b>DETAILS OF WRITE-INS</b>										
0501.										XXX
0502.										XXX
0503.										XXX
0598.										XXX
0599.										XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX		XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX		XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX		XXX	
0698.		XXX	XXX	XXX	XXX	XXX	XXX		XXX	
0699.		XXX	XXX	XXX	XXX	XXX	XXX		XXX	
1301.		XXX	XXX	XXX	XXX	XXX	XXX		XXX	
1302.										XXX
1303.										XXX
1398.										XXX
1399.										XXX

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 1 - PREMIUMS**

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....				
2. Medicare Supplement .....				
3. Dental only .....				
4. Vision only .....				
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII - Medicare .....				
7. Title XIX - Medicaid .....				
8. Other health .....				
9. Health subtotal (Lines 1 through 8) .....				
10. Life .....				
11. Property/casualty .....				
12. TOTALS (Lines 9 to 11) .....				

**NONE**

**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	(265,143)							(265,143)		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	(265,143)							(265,143)		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	10,524,573	564,616						9,959,957		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	10,524,573	564,616						9,959,957		
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)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	10,524,573	564,616						9,959,957		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	10,524,573	564,616						9,959,957		
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	(265,143)							(265,143)		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	(265,143)							(265,143)		
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
<b>1. Reported in Process of Adjustment:</b>										
1.1 Direct	10,524,573	564,616						9,959,957		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	10,524,573	564,616						9,959,957		
<b>2. Incurred but Unreported:</b>										
2.1 Direct										
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net										
<b>3. Amounts Withheld from Paid Claims and Capitations:</b>										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
<b>4. TOTALS</b>										
4.1 Direct	10,524,573	564,616						9,959,957		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	10,524,573	564,616						9,959,957		

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claims Incurred During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year				
1. Comprehensive (hospital and medical)			564,616		564,616		564,616	
2. Medicare Supplement								
3. Dental only								
4. Vision only								
5. Federal Employees Health Benefits Plan								
6. Title XVIII - Medicare								
7. Title XIX - Medicaid	(265,143)		9,959,957				9,959,957	
8. Other health								
9. Health subtotal (Lines 1 to 8)	(265,143)		10,524,573				10,259,430	
10. Healthcare receivables (a)								
11. Other non-health								
12. Medical incentive pool and bonus amounts								
13. TOTALS (Lines 9 - 10 + 11 + 12)	(265,143)		10,524,573				10,259,430	10,524,573

(a) Excludes \$.00 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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	33,588	32,886	32,452	32,452	32,452
2. 2011	301,440	341,832	341,091	341,091	341,091
3. 2012	X X X	314,970	372,839	372,770	372,712
4. 2013	X X X	X X X	89,095	88,851	88,644
5. 2014	X X X	X X X	X X X	X X X	X X X
6. 2015	X X X	X X X	X X X	X X X	X X X

**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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	206,825	206,123	205,689	32,452	32,452
2. 2011	344,440	341,832	341,091	341,091	341,091
3. 2012	X X X	362,850	375,208	375,085	375,027
4. 2013	X X X	X X X	97,492	97,061	96,854
5. 2014	X X X	X X X	X X X	X X X	X X X
6. 2015	X X X	X X X	X X X	X X X	X X X

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2011	383,743	341,091	12,275	3.599	353,366	92.084			353,366	92.084
2. 2012	398,256	372,712	12,540	3.365	385,252	96.735	2,315		387,567	97.316
3. 2013	117,391	88,644	3,184	3.592	91,828	78.224	8,210		100,038	85.218
4. 2014										
5. 2015	37									

**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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	2,125	2,102	1,943	1,943	1,943
2. 2011	20,898	24,184	24,260	24,260	24,260
3. 2012	XXX	17,287	19,842	19,845	19,845
4. 2013	XXX	XXX	5,492	5,502	5,502
5. 2014	XXX	XXX	XXX	XXX	XXX
6. 2015	XXX	XXX	XXX	XXX	XXX

**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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	2,125	2,102	1,943	1,943	1,943
2. 2011	23,807	24,184	24,260	24,260	24,260
3. 2012	XXX	19,998	19,969	19,969	19,969
4. 2013	XXX	XXX	5,942	5,943	5,943
5. 2014	XXX	XXX	XXX	XXX	XXX
6. 2015	XXX	XXX	XXX	XXX	XXX

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2011	26,924	24,260	894	3,665	25,154	93,426	124	25,154	93,426	93.426
2. 2012	21,486	19,845	698	3,517	20,543	95,611	441	20,667	96,188	96.188
3. 2013	4,689	5,502	181	3,290	5,683	120,941	441	6,124	130,326	130.326
4. 2014										
5. 2015										

- 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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	31,463	30,784	30,509	30,509	30,509
2. 2011	280,542	317,648	316,831	316,831	316,831
3. 2012	XXX	297,683	352,997	352,925	352,867
4. 2013	XXX	XXX	83,603	83,349	83,142
5. 2014	XXX	XXX	XXX	XXX	XXX
6. 2015	XXX	XXX	XXX	XXX	XXX

**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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	204,700	204,021	203,746	30,509	30,509
2. 2011	320,633	317,648	316,831	316,831	316,831
3. 2012	XXX	342,852	355,239	355,116	355,058
4. 2013	XXX	XXX	91,550	91,118	90,911
5. 2014	XXX	XXX	XXX	XXX	XXX
6. 2015	XXX	XXX	XXX	XXX	XXX

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2011	356,819	316,831	11,381	3.592	328,212	91.983	2,191	328,212	91.983	91.983
2. 2012	376,770	352,867	11,842	3.356	364,709	96.799	2,191	366,900	97.380	97.380
3. 2013	112,692	83,142	3,003	3.612	86,145	76.443	7,769	93,914	83.337	83.337
4. 2014	37									
5. 2015										

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) .....					
2. Salaries, wages and other benefits .....					
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....					
4. Legal fees and expenses .....			933,502		933,502
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....			528,512		528,512
7. Traveling expenses .....			5,543		5,543
8. Marketing and advertising .....					
9. Postage, express and telephone .....			193		193
10. Printing and office supplies .....					
11. Occupancy, depreciation and amortization .....			64,553		64,553
12. Equipment .....					
13. Cost or depreciation of EDP equipment and software .....					
14. Outsourced services including EDP, claims, and other services .....					
15. Boards, bureaus and association fees .....					
16. Insurance, except on real estate .....			66,638		66,638
17. Collection and bank service charges .....				2,349	2,349
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 .....					
23.3 Regulatory authority licenses and fees .....					
23.4 Payroll taxes .....					
23.5 Other (excluding federal income and real estate taxes) .....					
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....					
26. TOTAL Expenses Incurred (Lines 1 to 25) .....			1,598,941	2,349 (a)	1,601,290
27. Less expenses unpaid December 31, current year .....			10,476,801		10,476,801
28. Add expenses unpaid December 31, prior year .....			9,988,392		9,988,392
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) .....			1,110,532	2,349	1,112,881
<b>DETAILS OF WRITE-INS</b>					
2501. ....					
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....					

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

**EXHIBIT OF NET INVESTMENT INCOME**

		1	2
		Collected	Earned
		During Year	During Year
1.	U.S. Government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 7,815	7,815
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	TOTAL Gross investment income	7,815	7,815
11.	Investment expenses		(g) 2,349
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)		2,349
17.	Net Investment income (Line 10 minus Line 16)		5,466
<b>DETAILS OF WRITE-INS</b>			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

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

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

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

**EXHIBIT OF NONADMITTED ASSETS**

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D) .....			
2.	Stocks (Schedule D):			
2.1	Preferred stocks .....			
2.2	Common stocks .....			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens .....			
3.2	Other than first liens .....			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company .....			
4.2	Properties held for the production of income .....			
4.3	Properties held for sale .....			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6.	Contract loans .....			
7.	Derivatives (Schedule DB) .....			
8.	Other invested assets (Schedule BA) .....			
9.	Receivables for securities .....			
10.	Securities lending reinvested collateral assets (Schedule DL) .....			
11.	Aggregate write-ins for invested assets .....			
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....			
13.	Title plants (for Title insurers only) .....			
14.	Invested income due and accrued .....			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection .....			
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 .....			
19.	Guaranty funds receivable or on deposit .....			
20.	Electronic data processing equipment and software .....			
21.	Furniture and equipment, including health care delivery assets .....			
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 .....	71,889	138,527	66,638
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	71,889	138,527	66,638
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28.	TOTAL (Lines 26 and 27) .....	71,889	138,527	66,638
<b>DETAILS OF WRITE-INS</b>				
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page .....			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501.	Prepaid Expenses .....	71,889	138,527	66,638
2502.	.....			
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page .....			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	71,889	138,527	66,638

17 Exhibit 1 - Enrollment By Product Type ..... NONE

18 Exhibit 2 - Accident and Health Premiums ..... NONE

19 Exhibit 3 - Health Care Receivables ..... NONE

20 Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued ..... NONE

**EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**  
 Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
MedStar						
0199999 Total - Individually Listed Claims Unpaid	1,325,306				1,325,306	1,325,306
0299999 Aggregate Accounts Not Individually Listed - Uncovered					1,325,306	1,325,306
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals					9,199,267	9,199,267
0599999 Unreported claims and other claim reserves					10,524,573	10,524,573
0699999 TOTAL Amounts Withheld						
0799999 TOTAL Claims Unpaid						10,524,573
0899999 Accrued Medical Incentive Pool and Bonus Amounts						

22 Exhibit 5 - Amounts Due From Parent . . . . . NONE

23 Exhibit 6 - Amounts Due to Parent . . . . . NONE

**EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS**

1	2	3	4	5	6
Direct Medical Expense Payment	Column 1 as a % of Total Payments	Total Members Covered	Column 3 as a % of Total Members	Column 1 Expenses Paid to Affiliated Providers	Column 1 Expenses Paid to Non-Affiliated Providers
<b>Capitation Payments:</b>					
1. Medical groups					
2. Intermediaries					
3. All other providers					
4. TOTAL Capitation Payments					
<b>Other Payments:</b>					
5. Fee-for-service	16,000	XXX	XXX		(42,423)
6. Contractual fee payments	84,000	XXX	XXX		(222,720)
7. Bonus/withhold arrangements - fee-for-service		XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments		XXX	XXX		
9. Non-contingent salaries		XXX	XXX		
10. Aggregate cost arrangements		XXX	XXX		
11. All other payments	100,000	XXX	XXX		(265,143)
12. TOTAL Other Payments	100,000	XXX	XXX		(265,143)
13. TOTAL (Line 4 plus Line 12)	100,000	XXX	XXX		(265,143)

**EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES**

1	2	3	4	5	6
NAIC Code	Name of Intermediary	Capitation Paid	Average Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC
	<b>NONE</b>				
9999999 TOTALS					
			XXX	XXX	XXX

**EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED**

	1	2	3	4	5	6
	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment .....						
2. Medical furniture, equipment and fixtures .....						
3. Pharmaceuticals and surgical supplies .....						
4. Durable medical equipment .....						
5. Other property and equipment .....						
6. TOTAL .....						

**NONE**

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of DC Chartered Health Plan (Chartered or the Company) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (DISB).

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

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

		State of Domicile	2015	2014
<b>NET INCOME</b>				
(1)	State basis (Page 4, Line 32, Columns 2 & 3)	DC	\$(1,450,977)	\$(1,679,662)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:			
(201)				
(299)	Total		\$0	\$0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:			
(301)				
(399)	Total		\$0	\$0
(4)	NAIC SAP (1-2-3=4)		\$(1,450,977)	\$(1,679,662)
<b>SURPLUS</b>				
(5)	State basis (Page 3, Line 33, Columns 3 & 4)	DC	\$(14,223,019)	\$(12,838,680)
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:			
(601)				
(699)	Total		\$0	\$0
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:			
(701)				
(799)	Total		\$0	\$0
(8)	NAIC SAP (5-6-7=8)		\$(14,223,019)	\$(12,838,680)

#### 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

In 2012 Chartered was placed in court-supervised rehabilitation. In 2013, Chartered sold substantially all of its operating assets, transferred contractual agreements, stopped writing business, and began operating primarily to complete settlement and run-off of outstanding claims. Through April 2013, Chartered wrote only Medicaid and Alliance program (a local program for low-income residents) contracts with the District of Columbia Department of Healthcare Finance (DHCF). Medicaid and Alliance premiums from the DHCF were due monthly and recognized as revenue during the period in which Chartered was obligated to provide service to members.

## Notes to Financial Statements

In addition, the Company uses the following accounting policies:

- (1) Short-term investments – None
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific interest method.
- (3) Common stocks – None
- (4) Preferred stocks – None
- (5) Mortgage loans on real estate – None
- (6) Loan-backed securities – None
- (7) Investments in subsidiaries, controlled or affiliated companies – None
- (8) Investments in joint ventures, partnerships and limited liability companies – None
- (9) Derivatives instruments – None
- (10) Chartered did not carry a premium deficiency reserve at the end of 2015 and 2014 and consequently did not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) As part of court supervision, Chartered stopped writing business and determined its outstanding claims liability as of April 30, 2013. The Company has been in a run-off position since, to settle the outstanding claim liability. Payments, appeals, and pharmacy rebates have subsequently impacted the liability.
- (12) Chartered has not modified its capitalization policy from the prior period.
- (13) Chartered does not have any Pharmacy rebate receivables at December 31, 2015.

#### D. Going Concern

Chartered entered rehabilitation on October 19, 2012, with the Commissioner of the District of Columbia's Department of Insurance, Securities and Banking named as the Rehabilitator. On April 30, 2013 Chartered's primary operations were sold to a third-party and all of its employees terminated or transferred to the third-party. Since that time, the Rehabilitator and his designees have worked to resolve various major legal, financial and tax issues faced by Chartered. The Rehabilitator has been evaluating whether further efforts to rehabilitate Chartered are appropriate and feasible, and will report its determination to the Court in a forthcoming status report.

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

None

#### 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

On October 19, 2012, Chartered was placed into court-supervised rehabilitation with the consent of Chartered's Board of Directors and its owner. The Commissioner of the Department of Insurance, Securities and Banking of the District of Columbia ("DISB") was appointed Rehabilitator. Chartered entered into an Asset Purchase Agreement on February 8, 2013 with AmeriHealth District of Columbia, Inc. for the sale of substantially all of Chartered's operating assets and transfer of various contractual agreements. The sale was closed on April 30, 2013 and at that time all of Chartered's Medicaid and Alliance enrollees were transferred to AmeriHealth District of Columbia, Inc. Associated with these developments, Chartered elected not to bid on the District's Department of Healthcare Finance's (DHCF) request for proposals for new contracts that would have taken effect after April 30, 2013. As a consequence, Chartered ceased participation in the DHCF's Medicaid and Alliance programs on April 30, 2013.

#### 5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – None
- B. Debt Restructuring – None
- C. Reverse Mortgages – None

## Notes to Financial Statements

- D. Loan-Backed Securities – None
- E. Repurchase Agreements and/or Securities Lending Transactions – None
- F. Real Estate – None
- G. Low-Income Housing Tax Credits (LIHTC) – None
- H. Restricted Assets – None
- I. Working Capital Finance Investments – None
- J. Offsetting and Netting of Assets and Liabilities - None
- K. Structured Notes - None

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

- A. Chartered has no investments in joint ventures, partnerships or limited liability companies.
- B. The Company does not have any impaired Joint Ventures, Partnerships and Limited Liability Companies.

### 7. Investment Income

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

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

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

### 8. Derivative Instruments

None

### 9. Income Taxes

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

1.

Description	12/31/2015			12/31/2014			Change		
	1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 - 4) Ordinary	8 (Col. 2 - 5) Capital	9 (Col. 7 + 8) Total
a. Gross Deferred Tax Assets	13,823,911		13,823,911	13,382,317		13,382,317	441,594		441,594
b. Statutory Valuation Allowance Adjustments	13,823,911		13,823,911	13,382,317		13,382,317	441,594		441,594
c. Adjusted Gross Deferred Tax Assets (1a - 1b)									
d. Deferred Tax Assets Non-admitted									
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)									
f. Deferred Tax Liabilities									
g. Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)									

2.

Description	12/31/2015			12/31/2014			Change		
	1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 - 4) Ordinary	8 (Col. 2 - 5) Capital	9 (Col. 7 + 8) Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks									
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)									
b1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date									
b2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX		XXX	XXX		XXX	XXX	
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities									
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b - 2c)									

## Notes to Financial Statements

3.

	Description	2015	2014
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	-1871%	-1704%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	\$(14,100,374)	\$(12,838,680)

4.

Description	12/31/2015		12/31/2014		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col 1-3) Ordinary	6 (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)					
2.	% Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies					
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)					
4.	% Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies					

b. Does the Company's tax-planning strategies include the use or reinsurance: No

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

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

	Description	1 12/31/2015	2 12/31/2014	3 (Col. 1 - 2) Change
1.	Current Income Tax			
a.	Federal			
b.	Foreign			
c.	Subtotal			
d.	Federal income tax on net capital gains			
e.	Utilization of capital loss carry-forwards			
f.	Other	182,093	182,093	
g.	Federal and foreign income taxes incurred	182,093	182,093	
2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	68,228	68,228	
2.	Unearned premium reserve			
3.	Policyholder reserves			
4.	Investments			
5.	Deferred acquisition costs			
6.	Policyholder dividends accrual			
7.	Fixed assets		8,285	(8,285)
8.	Compensation and benefits accrual			
9.	Pension accrual			
10.	Receivables - nonadmitted	25,162	48,484	(23,322)
11.	Net operating loss carry-forward	11,984,232	11,511,031	473,201
12.	Tax credit carry-forward	182,093	182,093	
13.	Other (including items < 5% of total ordinary tax assets)	1,564,196	1,564,196	
99.	Subtotal	13,823,911	13,382,317	441,594
b.	Statutory valuation allowance adjustment	13,823,911	13,382,317	441,594
c.	Nonadmitted			
d.	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)			
e.	Capital:			
1.	Investments			
2.	Net capital loss carry-forward			
3.	Real estate			
4.	Other (including items < 5% of total capital tax assets)			
99.	Subtotal			
f.	Statutory valuation allowance adjustment			
g.	Nonadmitted			
h.	Admitted capital deferred tax assets (2e99 - 2f - 2g)			
i.	Admitted deferred tax assets (2d + 2h)			
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Investments			
2.	Fixed assets			
3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items < 5% of total ordinary tax liabilities)			
99.	Subtotal			
b.	Capital:			
1.	Investments			
2.	Real estate			
3.	Other (including items < 5% of total capital tax liabilities)			

## Notes to Financial Statements

99.	Subtotal			
c.	Deferred tax liabilities (3a99 + 3b99)			
4.	Net deferred tax assets/liabilities (2i - 3c)			

## D. Significant book to tax adjustments were the following:

The provision for federal income taxes incurred 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 @ 35%	Effective Tax Rate
Income before taxes	(1,328,332)	(464,916)	35.00%
DRD deduction and tax exempt interest, net			
Prior year under accrual/(overaccrual)			
Change in nonadmitted assets	66,634	23,322	1.76%
Meals and Entertainment			
Change in valuation allowance	1,261,698	441,594	(33.24)%
Other			
Total	0	0	0%
Federal income tax incurred			
Tax on capital gains			
Change in net deferred income tax			
Total statutory income taxes		0	0%

## E. Other Disclosures:

- As of December 31, 2015, the Company has \$34 million of net operating loss carryforwards.
- There are no income taxes incurred in the current and prior years which would be available for recoupment in the event of future net losses:
- The Company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

## F. Consolidated Federal Income Tax Return

In accordance with its tax allocation agreement with DCHSI, Chartered is to be included in consolidated federal and state income tax returns with DCHSI, using an April 30 fiscal year-end. Deferred tax assets, deferred tax liabilities, and income tax expense or benefit associated with Chartered have been provided for on a separate company basis. In addition, Chartered historically determines its deferred income taxes on a separate company basis and remits its estimated tax payments to DCHSI. It is believed by management that DCHSI filed income tax returns which included Chartered up through the year ending April 30, 2010. It is management's understanding that consolidated tax returns for fiscal years ended April 30, 2011, 2012, 2013, 2014, and 2015 have not been filed with the Internal Revenue Service, as of the date of this report.

As a consequence of the situation described above, management elected to have tax returns prepared and filed on a stand-alone basis for Chartered for the four tax years in question. The returns indicated tax liability for Chartered for alternative minimum taxes in the amounts of \$63,315 and \$118,778 for tax years ended April 30, 2011 and April 30, 2012, respectively. The returns were filed with the IRS in December 2014.

## G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

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

## A. - C.

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

- During 2014 and 2015 Chartered entered into no related-party transactions. The Company did lease its building from its parent, DCHSI. The lease expired June 2014 and is more fully discussed in Section F below. In prior years, Chartered did engage in numerous related-party transactions.
- There are no guarantees or undertakings that exist with affiliates or non-affiliates that would expose the Company's assets or liabilities.
- Office Lease Agreement

On August 8, 2003, Chartered entered into a lease agreement for office space at 1025 15<sup>th</sup> Street NW, Washington, DC to house its headquarters in a building owned by DCHSI. The lease was a triple net lease for approximately 32,660 square feet of space at \$25 per square foot. It has a term of 10 years at an annual payment rate of \$816,500, plus a 2.5% annual increase on the base rent. The lease commenced July 1, 2004 and expired June 30, 2014. Chartered vacated the building in May, 2013 and accrued \$1,102,604 for estimated unpaid lease expense through June, 2014.

## Notes to Financial Statements

- G. Chartered is a wholly owned subsidiary of DCHSI.
- H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.
- I. Investment in SCA Entities – None
- J. Investment in SCA Entities - None
- K. Investment in Foreign Insurance Subsidiary – None
- L. Investments in Downstream Noninsurance Holding Company – None
- M. Investment in SCA Entities – None
- N. Investment in SCA Entities - None

### 11. Debt

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

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

- A. – D. Defined Benefit Plan – None
- E. Defined Contribution Plans

Chartered adopted a 401(k) Plan for its employees in April 2000. Employees were eligible to participate in the Plan if they were at least 21 years of age and worked 90 days or longer at Chartered. Employees were able to contribute a certain percentage of eligible salary on a pre-tax basis. In 2004, Chartered elected to offer its employees a discretionary matching contribution up to 12% of each employee's 401(k) contribution amount. Chartered contributed \$10,000 to the Plan for the year ended December 31, 2013. With Superior Court approval, Chartered terminated its 401(k) plan effective May 31, 2013.

- F. Multiemployer Plans – None
- G. Consolidated/Holding Company Plans – None
- H. Postemployment Benefit and Compensated Absences – None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - None

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

1. Chartered has 1,000 shares of common stock issued and outstanding at December 31, 2015 with a par value of \$0.10 each.
2. Chartered has not issued any preferred stock.
3. Chartered is under court supervision and cannot pay dividends.
4. DCCHP did not declare or pay dividends during 2015.
5. None
6. The Company's surplus is subject to court supervision.
7. None
8. Chartered has no stock held for special purposes.
9. Chartered had no changes in the balance of special surplus funds from the prior year.
10. Unassigned funds (surplus) were increases as follows: None
11. Chartered did not have any surplus notes issued or outstanding as of December 31, 2015.
12. No quasi-reorganizations have taken place as of December 31, 2015.
13. No quasi-reorganizations have taken place as of December 31, 2015.

### 14. Contingencies

- A. Contingent Commitments – None

## Notes to Financial Statements

- 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. Lessee Operating Lease

- (1) Through June 2014, Chartered was obligated under a non-cancelable operating lease for office space and office equipment. In 2013, the Company recognized the full rental commitment through June 2014 in its 2013 financial statements. No rent expense was recognized in 2014 and 2015.
- (2) At December 31, 2015, the minimum aggregate rental commitments are as follows: None
- (3) The Company is not involved in any material sales-leaseback transactions.

#### B. Lessor Leases – None

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

None

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

- A. Transfers of Receivables reported as Sales – None
- B. Transfer and Servicing of Financial Assets – None
- C. Wash Sales – None

### 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)
Cash Equivalents	\$6,944,357	\$6,944,357	\$0	\$6,944,357	\$0	\$0

## Notes to Financial Statements

D. Not Practicable to Estimate Fair Value – None

### 21. Other Items

- A. Unusual or Infrequent – 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, 2016 for the statutory statement issued on December 31, 2015.

None

Type II – Nonrecognized Subsequent Events

Subsequent events have been considered through February 28, 2016 for the statutory statement issued on December 31, 2015.

None

Since the Company no longer has any written premiums, the Company is not subject to the annual fee under section 9010 of the Affordable Care Act (ACA).

### 23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?  
Yes ( ) No (X)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
Yes ( ) No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?  
Yes ( ) No (X)
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes ( ) No (X)

Section 3 – Ceded Reinsurance Report – Part B

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

## Notes to Financial Statements

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

Yes ( )    No (X)

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

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

A. – D. None

E. Chartered did not write any premium subject to the Affordable Care Act risk sharing provisions.

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

Reserves as of December 31, 2014 were \$10,524,573 for unpaid claims and \$0 for unpaid claims adjustment expenses. As of December 31, 2015, \$265,143 has been recovered for incurred claims and claims adjustment expenses attributable to insured events of prior years. There are \$10,524,573 reserves remaining for prior years. Therefore there has been a \$265,143 favorable prior year development since December 31, 2014 to December 31, 2015. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

### 26. Intercompany Pooling Arrangements

None

### 27. Structured Settlements

None

### 28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2015					
09/30/2015					
06/30/2015					
03/31/2015					
12/31/2014		\$44,756			\$ 414,710
09/30/2014	\$67,943	\$369,954			

B. Risk Sharing Receivables

None

### 29. Participating Policies

None

### 30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$ 0
2. Date of the most recent evaluation of this liability	<u>12/31/2015</u>
3. Was anticipated investment income utilized in the calculation? (Yes / No)	<u>No</u>

### 31. Anticipated Salvage and Subrogation

Chartered reduces its loss reserves for anticipated subrogation recoveries.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]  
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[ ] N/A[ ]  
District of Columbia
- 1.3 State Regulating? Yes[ ] No[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: .....12/31/2007.....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....12/31/2007.....
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....12/31/2007.....
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....12/31/2008.....
- 3.4 By what department or departments?  
DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE, 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. Yes[ ] No[X]

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

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

1 Nationality	2 Type of Entity
.....	.....

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Brown Smith Wallace LLC, 6 City Place, 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[ ] No[X] N/A[ ]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:  
On October 19, 2012 the Department of Insurance, Securities and Banking placed Chartered into court receivership as a result of the voluntary receivership action approved by the Company's Board of Directors and authorized by its owner. As a result of the receivership, there is no longer a Board of Directors

**GENERAL INTERROGATORIES (Continued)**

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?  
None
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]  
 12.11 Name of real estate holding company  
 12.12 Number of parcels involved  
 12.13 Total book/adjusted carrying value \$ 0  
 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:  
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ] N/A [X]  
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ] N/A [X]  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No [ ]  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.  
 14.11 If the response to 14.1 is no, please explain:  
 14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]  
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

**BOARD OF DIRECTORS**

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

**FINANCIAL**

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

**INVESTMENT**

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes[X] No [ ]  
 24.02 If no, give full and complete information, relating thereto  
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]  
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ ..... 0  
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ ..... 0

## GENERAL INTERROGATORIES (Continued)

- 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
- 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
- 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  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 \$ ..... 0  
 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
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No  N/A   
 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
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ ..... 0
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes  No
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
CARDINAL BANK	8270 GREENSBORO DR. STE 500, MCLEAN, VA 22102

- 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
- 28.04 If yes, give full and complete information relating thereto:

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

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

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

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

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

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

### GENERAL INTERROGATORIES (Continued)

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

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

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

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

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[] No[X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[] No[] N/A[X]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC 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? \$ ..... 697,407
- 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
FAEGRE BAKER DANIELS .....	356,153

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

1 Name	2 Amount Paid

## GENERAL INTERROGATORIES (Continued)

### PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator		36,771
2.2 Premium Denominator		36,771
2.3 Premium Ratio (2.1 / 2.2)		1.000
2.4 Reserve Numerator	10,524,573	10,524,573
2.5 Reserve Denominator	10,524,573	10,524,573
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes[ ] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No[ ]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes[ ] No[X] N/A[ ]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes[ ] No[X]
- 5.2 If no, explain:  
Chartered is in run-off. There was no reinsurance in effect in 2014. The previous contract ended April 30, 2013.
- 5.3 Maximum retained risk (see instructions):
- |                                 |            |
|---------------------------------|------------|
| 5.31 Comprehensive Medical      | \$ ..... 0 |
| 5.32 Medical Only               | \$ ..... 0 |
| 5.33 Medicare Supplement        | \$ ..... 0 |
| 5.34 Dental & Vision            | \$ ..... 0 |
| 5.35 Other Limited Benefit Plan | \$ ..... 0 |
| 5.36 Other                      | \$ ..... 0 |
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No[ ]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- |  |         |
|--|---------|
| 8.1 Number of providers at start of reporting year | ..... 0 |
| 8.2 Number of providers at end of reporting year   | ..... 0 |
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes[ ] No[X]
- 9.2 If yes, direct premium earned:
- |   |         |
|---|---------|
| 9.21 Business with rate guarantees between 15-36 months | ..... 0 |
| 9.22 Business with rate guarantees over 36 months       | ..... 0 |
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[ ] No[X]
- 10.2 If yes:
- |   |            |
|---|------------|
| 10.21 Maximum amount payable bonuses          | \$ ..... 0 |
| 10.22 Amount actually paid for year bonuses   | \$ ..... 0 |
| 10.23 Maximum amount payable withholds        | \$ ..... 0 |
| 10.24 Amount actually paid for year withholds | \$ ..... 0 |
- 11.1 Is the reporting entity organized as:
- |  |              |
|--|--------------|
| 11.12 A Medical Group/Staff Model                  | Yes[ ] No[X] |
| 11.13 An Individual Practice Association (IPA), or | Yes[ ] No[X] |
| 11.14 A Mixed Model (combination of above)?        | Yes[ ] No[X] |
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes[X] No[ ]
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.  
District of Columbia
- 11.4 If yes, show the amount required. \$ ..... 1,000,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes[ ] No[X]
- 11.6 If the amount is calculated, show the calculation.
12. List service areas in which the reporting entity is licensed to operate:

1	Name of Service Area
District of Columbia	

- 13.1 Do you act as a custodian for health savings accounts? Yes[ ] No[X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ ..... 0
- 13.3 Do you act as an administrator for health savings accounts? Yes[ ] No[X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ ..... 0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers? Yes[ ] No[ ] N/A[X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

## GENERAL INTERROGATORIES (Continued)

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 2015	2 2014	3 2013	4 2012	5 2011
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	7,083,093	7,856,377	9,995,659	56,100,345	57,844,792
2. TOTAL Liabilities (Page 3, Line 24) .....	21,306,111	20,695,058	21,144,114	65,711,451	51,895,346
3. Statutory minimum capital and surplus requirement .....	1,000,000	1,507,280	9,655,498	29,465,260	28,384,620
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	(14,223,019)	(12,838,680)	(11,148,455)	(9,611,106)	5,949,445
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....		36,771	116,801,168	398,256,303	383,743,178
6. TOTAL Medical and Hospital Expenses (Line 18) .....	(265,143)	(555,283)	108,667,208	359,550,135	346,596,401
7. Claims adjustment expenses (Line 20) .....			3,001,242	13,369,721	12,344,021
8. TOTAL Administrative Expenses (Line 21) .....	1,598,941	2,102,766	17,721,345	34,321,277	26,915,784
9. Net underwriting gain (loss) (Line 24) .....	(1,333,798)	(1,510,712)	(7,588,627)	(13,984,830)	(2,113,027)
10. Net investment gain (loss) (Line 27) .....	5,466	11,551	94,510	79,835	271,136
11. TOTAL Other Income (Lines 28 plus 29) .....	(35,680)	1,592	4,625,366	(6,258,760)	(7,512,324)
12. Net income or (loss) (Line 32) .....	(1,450,977)	(1,679,662)	(2,868,751)	(20,163,755)	(9,354,215)
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	(875,604)	(1,985,681)	(9,650,133)	(15,627,226)	(8,714,165)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	(14,223,019)	(12,838,680)	(11,148,454)	(9,611,106)	5,949,445
15. Authorized control level risk-based capital .....	10,625	753,695	4,827,749	14,732,630	14,192,310
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....				109,373	110,550
17. TOTAL Members Months (Column 6, Line 7) .....			418,165	1,315,078	1,325,230
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....		(1,510.1)	92.6	90.3	90.3
20. Cost containment expenses .....				1.8	1.9
21. Other claims adjustment expenses .....				1.5	1.3
22. TOTAL Underwriting Deductions (Line 23) .....		4,208.4	106.0	103.5	100.6
23. TOTAL Underwriting Gain (Loss) (Line 24) .....		(4,108.4)	(6.5)	(3.5)	(0.6)
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	10,259,430	10,211,768	59,064,630	39,690,676	33,588,164
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	10,524,573	10,767,051	47,889,416	39,795,081	26,738,549
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. TOTAL of Above Lines 26 to 31 .....					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above .....					

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

If no, please explain:

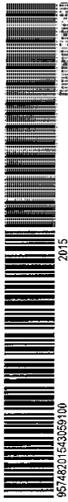


Document Code 439

2016

## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

	1		2		3		4		5		6		7		8		9		10					
	NAIC Group Code 0000		BUSINESS IN THE STATE OF DISTRICT OF COLUMBIA DURING THE YEAR		Comprehensive (Hospital & Medical)		Individual		Group		Medicare Supplement		Vision Only		Dental Only		Federal Employees Health Benefits Plan		Title XVIII Medicare		Title XIX Medicaid		Other	
	Total		Individual		Group																			
<b>TOTAL Members at end of:</b>																								
1. Prior Year																								
2. First Quarter																								
3. Second Quarter																								
4. Third Quarter																								
5. Current Year																								
6. Current Year Member Months																								
<b>TOTAL Member Ambulatory Encounters for Year:</b>																								
7. Physician																								
8. Non-Physician																								
9. TOTAL																								
10. Hospital Patient Days Incurred																								
11. Number of Inpatient Admissions																								
12. Health Premiums Written (b)																								
13. Life Premiums Direct																								
14. Property/Casualty Premiums Written																								
15. Health Premiums Earned																								
16. Property/Casualty Premiums Earned																								
17. Amount Paid for Provision of Health Care Services		(265,143)																						
18. Amount Incurred for Provision of Health Care Services		(265,143)																						
(a) For health business: number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.																								
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ .....0																								



## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

	BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR									
	1	2	3	4	5	6	7	8	9	10
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
NAIC Group Code 0000 REPORT FOR: 1. CORPORATION: 2. LOCATION: BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR										
NAIC Company Code 95748										
TOTAL Members at end of:										
1. Prior Year										
2. First Quarter										
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months										
TOTAL Member Ambulatory Encounters for Year:										
7. Physician										
8. Non-Physician										
9. TOTAL										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)										
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned										
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	(265,143)								(265,143)	
18. Amount Incurred for Provision of Health Care Services	(265,143)								(265,143)	

(a) For health business: number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.

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

31 Schedule S - Part 1 - Section 2 ..... NONE

32 Schedule S - Part 2 ..... NONE

33 Schedule S - Part 3 - Section 2 ..... NONE

34 Schedule S - Part 4 ..... NONE

35 Schedule S - Part 5 ..... NONE

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

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>A. OPERATIONS ITEMS</b>					
1. Premiums .....					
2. Title XVIII-Medicare .....					
3. Title XIX - Medicaid .....		(37)	479	914	1,399
4. Commissions and reinsurance expense allowance .....					
5. TOTAL Hospital and Medical Expenses .....			823	619	702
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable .....					
7. Claims payable .....					
8. Reinsurance recoverable on paid losses .....			143	352	246
9. Experience rating refunds due or unpaid .....					
10. Commissions and reinsurance expense allowances due .....					
11. Unauthorized reinsurance offset .....					
12. Offset for reinsurance with Certified Reinsurers .....					X X X
<b>C. UNAUTHORIZED REINSURANCE</b>					
<b>(DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
13. Funds deposited by and withheld from (F) .....					
14. Letters of credit (L) .....					
15. Trust agreements (T) .....					
16. Other (O) .....					
<b>D. REINSURANCE WITH CERTIFIED REINSURERS</b>					
<b>(DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
17. Multiple Beneficiary Trust .....					X X X
18. Funds deposited by and withheld from (F) .....					X X X
19. Letters of credit (L) .....					X X X
20. Trust agreements (T) .....					X X X
21. Other (O) .....					X X X

## SCHEDULE S - PART 7

### Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 12)	7,083,093		7,083,093
2. Accident and health premiums due and unpaid (Line 15)			
3. Amounts recoverable from reinsurers (Line 16.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)			
6. TOTAL Assets (Line 28)	7,083,093		7,083,093
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1)	10,524,573		10,524,573
8. Accrued medical incentive pool and bonus payments (Line 2)			
9. Premiums received in advance (Line 8)			
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			
11. Reinsurance in unauthorized companies (Line 20 minus inset amount)			
12. Reinsurance with Certified Reinsurers (Line 20 inset amount)			
13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount)			
14. All other liabilities (Balance)	10,658,893		10,658,893
15. TOTAL Liabilities (Line 24)	21,183,466		21,183,466
16. TOTAL Capital and Surplus (Line 33)	(14,100,374)	X X X	(14,100,374)
17. TOTAL Liabilities, Capital and Surplus (Line 34)	7,083,092		7,083,092
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
18. Claims unpaid			
19. Accrued medical incentive pool			
20. Premiums received in advance			
21. Reinsurance recoverable on paid losses			
22. Other ceded reinsurance recoverables			
23. TOTAL Ceded Reinsurance Recoverables			
24. Premiums receivable			
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers			
26. Unauthorized reinsurance			
27. Reinsurance with Certified Reinsurers			
28. Funds held under reinsurance treaties with Certified Reinsurers			
29. Other ceded reinsurance payables/offsets			
30. TOTAL Ceded Reinsurance Payables/Offsets			
31. TOTAL Net Credit for Ceded Reinsurance			

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

State, Etc.	1 Active Status	Direct Business Only							9 Deposit - Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	
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								
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								
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) 1								
<b>DETAILS OF WRITE-INS</b>									
58001	X X X								
58002	X X X								
58003	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

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

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

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

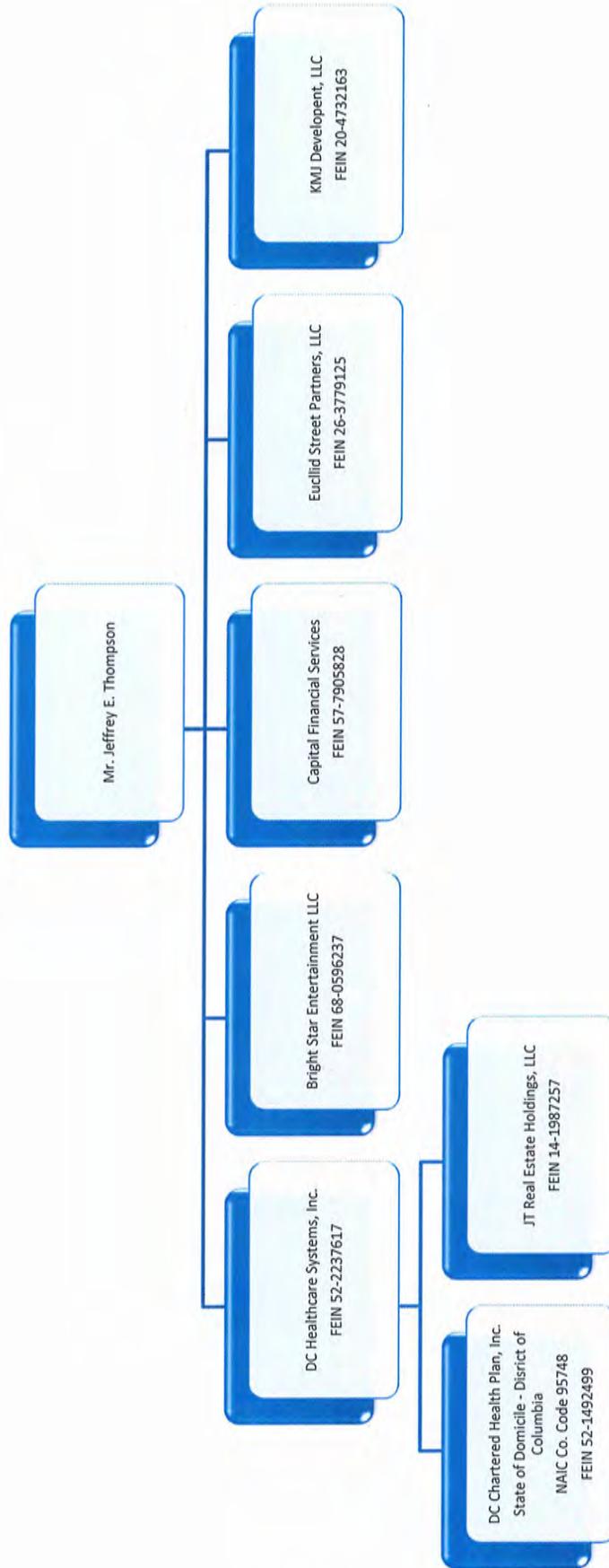
Direct Business only						
States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama (AL)						
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)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

**NONE**

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART



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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Comp-any Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relation-ship to Report-ing Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	
0		0					JEFFREY EARL THOMPSON	DC	UIP	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		95748	52-1492499				DC CHARTERED HEALTH PLAN INC	DC	RE	DC HEALTHCARE SYSTEMS	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	14-1987257				JT Real Estate Holdings, LLC	DC	NIA	DC HEALTHCARE SYSTEMS	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	52-2237617				DC HEALTHCARE SYSTEMS	DC	UDP	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	52-5633500				THOMPSON CORB, BAZILIO & ASSOCIATES, PC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	68-0596237				Bright Star Entertainment LLC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	57-7905828				Capital Financial Services	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	26-3779125				EUCLED STREET PARTNERS, LLC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	20-4732163				KMJ Development, LLC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	

Asterisk Explanation

0000001 Footnote

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

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred Under Reinsurance Agreements *	10	11 Any Other Material Activity not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
				<b>NONE</b>								
9999999 Control Totals										XXX		

Schedule Y Part 2 Explanation:

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Response

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

- |  | <u>Response</u> |
|--|-----------------|
| <b>MARCH FILING</b>  |                 |
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                                | Yes             |
| 2. Will an actuarial opinion be filed by March 1?  | Waived          |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?  | Yes             |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1?              | Yes             |
| <b>APRIL FILING</b>  |                 |
| 5. Will Management's Discussion and Analysis be filed by April 1?  | Yes             |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1?   | Yes             |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?   | Yes             |
| <b>JUNE FILING</b>   |                 |
| 8. Will an audited financial report be filed by June 1?  | Yes             |
| 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | Yes             |
| <b>AUGUST FILING</b>   |                 |
| 10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?   | Yes             |

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

- |  |    |
|--|----|
| <b>MARCH FILING</b>  |    |
| 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?   | No |
| 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?  | No |
| 13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?   | No |
| 14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?   | No |
| 15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?                              | No |
| 17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?  | No |
| 18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?                                   | No |
| 19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?   | No |
| 20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?   | No |
| <b>APRIL FILING</b>  |    |
| 21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?  | No |
| 22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?  | No |
| 23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?  | No |
| 24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?  | No |
| 25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?   | No |
| <b>AUGUST FILING</b>   |    |
| 26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?   | No |

Explanations:

Bar Codes:

Statement of Actuarial Opinion / Certification



Medicare Supplement Insurance Experience Exhibit



Health Life Supplement



Health Property / Casualty Supplement



Schedule SIS



Actuarial Opinion on Participating and Non-Participating Policies



Statement of Non-Guaranteed Elements for Exhibit 5



Medicare Part D Coverage Supplement



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



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



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

Approval for Relief related to Require. for Audit Committees



LTC Supplemental Interrogatories



Health Life Supplement - LHA Guaranty Association Reconciliation



Health Property/Casualty Supplement - Insurance Expense Exhibit



Supplemental Health Care Exhibit



Supplemental Health Care Exhibit's Expense Allocation Report



Management's Report of Internal Control over Financial Reporting





## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities						
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies						
1.22 Issued by U.S. government sponsored agencies						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations						
1.43 Revenue and assessment obligations						
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or Guaranteed by GNMA						
1.512 Issued or Guaranteed by FNMA and FHLMC						
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA						
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)						
2.2 Unaffiliated Non-U.S. securities (including Canada)						
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated						
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt)						
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities						
9. Securities Lending (Line 10, Asset Page reinvested collateral)				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments	7,083,093	100.000	7,083,093		7,083,093	100.000
11. Other invested assets						
12. TOTAL Invested assets	7,083,093	100.000	7,083,093		7,083,093	100.000

SI02 Schedule A - Verification .....	NONE
SI02 Schedule B - Verification .....	NONE
SI03 Schedule BA - Verification .....	NONE
SI03 Schedule D - Verification .....	NONE
SI04 Schedule D - Summary by Country .....	NONE
SI05 Schedule D Part 1A Sn 1 - #1 .....	NONE
SI06 Schedule D Part 1A Sn 1 - #2 .....	NONE
SI07 Schedule D Part 1A Sn 1 - #3 .....	NONE
SI08 Schedule D Part 1A Sn 2 - #1 .....	NONE
SI09 Schedule D Part 1A Sn 2 - #2 .....	NONE
SI10 Schedule DA - Verification .....	NONE
SI11 Schedule DB Part A Verification .....	NONE
SI11 Schedule DB Part B Verification .....	NONE
SI12 Schedule DB Part C Sn 1 - Rep. (Syn Asset) Transactions .....	NONE
SI13 Schedule DB Part C Sn 2 - Rep. (Syn Asset) Transactions .....	NONE
SI14 Schedule DB Verification .....	NONE

## SCHEDULE E - VERIFICATION BETWEEN YEARS

(Cash Equivalents)

		1	2	3
		Total	Bonds	Other (a)
1.	Book/adjusted carrying value, December 31 of prior year .....	7,734,323	7,734,323	
2.	Cost of cash equivalents acquired .....	1,870,767,851	1,870,767,851	
3.	Accrual of discount .....			
4.	Unrealized valuation increase (decrease) .....			
5.	TOTAL gain (loss) on disposals .....			
6.	Deduct consideration received on disposals .....	1,871,557,817	1,871,557,817	
7.	Deduct amortization of premium .....			
8.	TOTAL foreign exchange change in book/adjusted carrying value .....			
9.	Deduct current year's other-than-temporary impairment recognized .....			
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	6,944,357	6,944,357	
11.	Deduct total nonadmitted amounts .....			
12.	Statement value at end of current period (Lines 10 minus 11) .....	6,944,357	6,944,357	

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

E01	Schedule A - Part 1 Real Estate Owned	NONE
E02	Schedule A - Part 2 Real Estate Acquired	NONE
E03	Schedule A - Part 3 Real Estate Disposed	NONE
E04	Schedule B Part 1 - Mortgage Loans Owned	NONE
E05	Schedule B Part 2 - Mortgage Loans Acquired	NONE
E06	Schedule B Part 3 - Mortgage Loans Disposed	NONE
E07	Schedule BA Part 1 - Long-Term Invested Assets Owned	NONE
E08	Schedule BA Part 2 - Long-Term Invested Assets Acquired	NONE
E09	Schedule BA Part 3 - Long-Term Invested Assets Disposed	NONE
E10	Schedule D - Part 1 LT Bonds Owned	NONE
E11	Schedule D - Part 2 Sn 1 Prfrd Stocks Owned	NONE
E12	Schedule D - Part 2 Sn 2 Common Stocks Owned	NONE
E13	Schedule D - Part 3 LT Bonds/Stock Acquired	NONE
E14	Schedule D - Part 4 LT Bonds/Stock Disposed	NONE
E15	Schedule D - Part 5 LT Bonds/Stocks Acquired/Disp	NONE
E16	Schedule D - Part 6 Sn 1	NONE
E16	Schedule D - Part 6 Sn 2	NONE
E17	Schedule DA - Part 1 Short-Term Investments Owned	NONE
E18	Schedule DB - Part A Sn 1 Opt/Cap/Floors/Collars/Swaps/Forwards Open	NONE
E19	Schedule DB - Part A Sn 2 Opt/Cap/Floors/Collars/Swaps/Forwards Term.	NONE
E20	Schedule DB - Part B Sn 1 Futures Contracts Open	NONE
E21	Schedule DB - Part B Sn 2 Futures Contracts Terminated	NONE
E22	Schedule DB - Part D Sn 1 Counterparty Exposure for Derivative Instruments	NONE
E23	Schedule DB - Part D Sn 2 - Collateral Pledged By Reporting Entity	NONE
E23	Schedule DB - Part D Sn 2 - Collateral Pledged To Reporting Entity	NONE
E24	Schedule DL - Part 1 - Securities Lending Collateral Assets	NONE
E25	Schedule DL - Part 2 - Securities Lending Collateral Assets	NONE

**SCHEDULE E - PART 1 - CASH**

1		2	3	4	5	6	7
Depository		Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
<b>open depositories</b>							
Cardinal Bank-General Checking .....	Washington DC .....					36,629	X X X
Cardinal Bank-Medicaid Claims .....	Washington DC .....					102,107	X X X
Cardinal Bank-General Checking .....	Washington DC .....						X X X
Cardinal Bank-Medicaid Claims .....	Washington DC .....						X X X
Cardinal Bank-Alliance Claims .....	Washington DC .....						X X X
Cardinal Bank-Health Claims .....	Washington DC .....						X X X
Bank of America-Payroll .....	Washington DC .....						X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....							
			X X X				X X X
0199999 Totals - Open Depositories .....			X X X			138,736	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....							
			X X X				X X X
0299999 Totals - Suspended Depositories .....			X X X				X X X
0399999 Total Cash On Deposit .....			X X X			138,736	X X X
0499999 Cash in Company's Office .....			X X X	X X X	X X X		X X X
0599999 Total Cash .....			X X X			138,736	X X X

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

1. January .....	101,469	4. April .....	161,208	7. July .....	244,720	10. October .....	213,952
2. February .....	171,282	5. May .....	137,960	8. August .....	279,033	11. November .....	119,885
3. March .....	112,038	6. June .....	128,435	9. September .....	258,364	12. December .....	138,736

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**  
 Show Investments Owned December 31 of Current Year

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>Sweep Accounts</b>							
Cash-Cardinal Bank Medicaid Repo							
8499999 Subtotal - Sweep Accounts		12/31/2015	0.002	01/01/2016	6,944,357		7,815
8699999 Total Cash Equivalents					6,944,357		7,815

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

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

NONE

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