



# HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2016  
OF THE CONDITION AND AFFAIRS OF THE

## Group Hospitalization and Medical Services, Inc.

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

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

Country of Domicile United States of America

Licensed as business type: HMDI

Is HMO Federally Qualified? Yes [ ] No [ ]

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

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

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

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

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

Internet Website Address www.carefirst.com

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

### OFFICERS

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

### OTHER

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

### DIRECTORS OR TRUSTEES

<u>Shirley Marcus Allen</u>	<u>Clifford Edward Barnes</u>	<u>Victoria Walsh Bayless #</u>
<u>Sherri Lin Bohinc #</u>	<u>Robert Reginald Hagans Jr. #</u>	<u>Artis Gail Hampshire-Cowan</u>
<u>Polly Povejsil Heath</u>	<u>Wendell Lee Johns</u>	<u>Robert Carl Kovarik Jr.</u>
<u>Michael Joseph McShea #</u>	<u>Jack Allan Meyer</u>	<u>Shirley Rollins Patterson</u>
<u>Elena Victoria Rios</u>	<u>Patricia Amelia Rodriguez</u>	

State of Maryland SS:  
 County of Baltimore

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

Chester Emerson Burrell  
 President and Chief Executive Officer

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

Jeanne Ann Kennedy  
 Corp. Treasurer & VP

Subscribed and sworn to before me this 10th day of August, 2016  
Kathleen M. Rumbley

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



STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	469,007,952	0	469,007,952	431,962,892
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	119,223,054	0	119,223,054	108,580,414
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....(54,011,883) ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....54,100,979 ) .....	89,096	0	89,096	74,299,394
6. Contract loans (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	454,010,675	166,667	453,844,008	458,150,117
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,042,330,777	166,667	1,042,164,110	1,072,992,817
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	3,263,728	0	3,263,728	3,181,698
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	259,366,938	5,261,381	254,105,557	222,220,067
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums (\$ .....3,466 ) and contracts subject to redetermination (\$ .....105,138,896 ) .....	105,142,362	0	105,142,362	55,415,068
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	25,451,783	0	25,451,783	29,751,851
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	5,931,903	0	5,931,903	0
17. Amounts receivable relating to uninsured plans .....	37,878,840	539,724	37,339,116	38,835,820
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	2,066,072
18.2 Net deferred tax asset .....	21,342,380	21,342,380	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	161,912,387	135,832,846	26,079,541	23,008,214
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	9,129,778	9,129,778	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	51,844,627	0	51,844,627	37,053,381
24. Health care (\$ .....138,190,144 ) and other amounts receivable .....	752,996,549	10,150,859	742,845,690	806,807,815
25. Aggregate write-ins for other than invested assets .....	59,511,240	58,131,152	1,380,088	1,412,428
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,536,103,292	240,554,787	2,295,548,505	2,292,745,231
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27)	2,536,103,292	240,554,787	2,295,548,505	2,292,745,231
<b>DETAILS OF WRITE-INS</b>				
1101. ....	0	0	0	0
1102. ....	0	0	0	0
1103. ....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid Expenses .....	58,131,152	58,131,152	0	0
2502. Other Assets .....	1,380,088	0	1,380,088	1,412,428
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	59,511,240	58,131,152	1,380,088	1,412,428

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 7,332,255 reinsurance ceded)	287,320,619	10,925,264	298,245,883	278,533,914
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	11,012,691	418,754	11,431,445	10,719,044
4. Aggregate health policy reserves, including the liability of \$ 2,060,000 for medical loss ratio rebate per the Public Health Service Act	606,810,679	0	606,810,679	643,871,871
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	47,672,989	0	47,672,989	47,514,913
9. General expenses due or accrued	150,160,379	0	150,160,379	101,256,566
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 798,896 on realized gains (losses))	4,443,021	0	4,443,021	0
10.2 Net deferred tax liability	6,642,820	0	6,642,820	6,800,970
11. Ceded reinsurance premiums payable	336,799	0	336,799	210,722
12. Amounts withheld or retained for the account of others	39,306,400	0	39,306,400	81,817,582
13. Remittances and items not allocated	16,677,023	0	16,677,023	7,474,513
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	61,702,446	0	61,702,446	86,468,796
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$ 0 ) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	15,609,400	0	15,609,400	15,844,150
23. Aggregate write-ins for other liabilities (including \$ 9,248,978 current)	54,670,786	0	54,670,786	52,017,665
24. Total liabilities (Lines 1 to 23)	1,302,366,052	11,344,018	1,313,710,070	1,332,530,706
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	70,000,000
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	0	0
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	981,838,435	890,214,523
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0 )	XXX	XXX	0	0
32.2 0 shares preferred (value included in Line 27 \$ 0 )	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	981,838,435	960,214,523
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,295,548,505	2,292,745,229
<b>DETAILS OF WRITE-INS</b>				
2301. Amounts Withheld for Escheatment	6,881,721	0	6,881,721	9,816,372
2302. Reinsurance Payable	6,744,602	0	6,744,602	3,135,745
2303. Noncurrent Pension and Other Postretirement Liabilities	32,988,443	0	32,988,443	30,018,623
2398. Summary of remaining write-ins for Line 23 from overflow page	8,056,020	0	8,056,020	9,046,925
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	54,670,786	0	54,670,786	52,017,665
2501. Special Surplus - 2016 Health Insurer fee	XXX	XXX	0	70,000,000
2502. ....	XXX	XXX	0	0
2503. ....	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0	70,000,000
3001. ....	XXX	XXX	0	0
3002. ....	XXX	XXX	0	0
3003. ....	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	4,507,379	4,824,505	9,557,746
2. Net premium income ( including \$ .....0 non-health premium income)	XXX	1,748,906,333	1,634,923,427	3,441,658,334
3. Change in unearned premium reserves and reserve for rate credits	XXX	37,061,192	37,361,096	(291,898)
4. Fee-for-service (net of \$ .....0 medical expenses)	XXX	0	0	0
5. Risk revenue	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues	XXX	9,601,601	7,647,607	18,753,426
7. Aggregate write-ins for other non-health revenues	XXX	3,193,573	2,712,026	5,193,405
8. Total revenues (Lines 2 to 7)	XXX	1,798,762,699	1,682,644,156	3,465,313,267
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits	28,210,379	976,481,066	913,153,052	1,924,577,152
10. Other professional services	0	109,853,750	102,379,497	214,599,895
11. Outside referrals	26,706,108	26,706,108	27,935,627	54,929,320
12. Emergency room and out-of-area	1,544,514	36,020,427	36,962,466	69,983,167
13. Prescription drugs	0	392,252,523	373,622,041	769,767,800
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0
16. Subtotal (Lines 9 to 15)	56,461,001	1,541,313,874	1,454,052,683	3,033,857,334
<b>Less:</b>				
17. Net reinsurance recoveries	0	33,714,667	36,177,799	91,534,188
18. Total hospital and medical (Lines 16 minus 17)	56,461,001	1,507,599,207	1,417,874,884	2,942,323,146
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$ .....26,987,776 cost containment expenses	0	70,216,071	68,066,667	143,539,637
21. General administrative expenses	0	199,761,530	202,935,141	345,378,766
22. Increase in reserves for life and accident and health contracts (including \$ .....0 increase in reserves for life only)	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	56,461,001	1,777,576,808	1,688,876,692	3,431,241,549
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	21,185,891	(6,232,536)	34,071,718
25. Net investment income earned	0	7,713,321	7,488,138	15,707,922
26. Net realized capital gains (losses) less capital gains tax of \$ .....798,896	0	3,195,582	10,543,900	7,392,109
27. Net investment gains (losses) (Lines 25 plus 26)	0	10,908,903	18,032,038	23,100,031
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....0 ) (amount charged off \$ .....0 )]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	125,908	546,843	905,669
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	32,220,702	12,346,345	58,077,418
31. Federal and foreign income taxes incurred	XXX	17,544,023	14,629,510	23,102,333
32. Net income (loss) (Lines 30 minus 31)	XXX	14,676,679	(2,283,165)	34,975,085
<b>DETAILS OF WRITE-INS</b>				
0601. FEP Performance Incentive	XXX	9,538,551	7,647,607	18,753,426
0602. Miscellaneous Fees	XXX	63,050	0	0
0603. ....	XXX	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	9,601,601	7,647,607	18,753,426
0701. FEP Bridge Revenue	XXX	3,193,573	2,712,026	5,193,405
0702. ....	XXX	0	0	0
0703. ....	XXX	0	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	3,193,573	2,712,026	5,193,405
1401. ....	0	0	0	0
1402. ....	0	0	0	0
1403. ....	0	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901. Miscellaneous	0	122,632	551,815	966,198
2902. Regulatory Fines and Fees	0	3,276	(4,972)	(60,529)
2903. ....	0	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	125,908	546,843	905,669

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

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....	960,214,523	934,408,634	934,408,634
34. Net income or (loss) from Line 32.....	14,676,679	(2,283,165)	34,975,085
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....718,514	(4,714,420)	(12,013,706)	(8,809,687)
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0	0
38. Change in net deferred income tax.....	635,459	(1,533,115)	3,352,600
39. Change in nonadmitted assets.....	8,564,019	5,424,397	(1,965,033)
40. Change in unauthorized and certified reinsurance.....	0	0	0
41. Change in treasury stock.....	0	0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....	0	0	0
44. Capital Changes:			
44.1 Paid in.....	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....	0	0	0
45. Surplus adjustments:			
45.1 Paid in.....	0	0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....	0	0	0
46. Dividends to stockholders.....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	2,462,175	0	(1,747,076)
48. Net change in capital & surplus (Lines 34 to 47).....	21,623,912	(10,405,589)	25,805,889
49. Capital and surplus end of reporting period (Line 33 plus 48)	981,838,435	924,003,045	960,214,523
<b>DETAILS OF WRITE-INS</b>			
4701. Change in pension prepaid asset/liability.....	0	0	(1,747,076)
4702. Correction of errors, net of taxes.....	2,462,175	0	0
4703. ....	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	2,462,175	0	(1,747,076)

## STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization &amp; Medical Services, Inc.

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	1,660,373,128	1,626,488,487	3,401,491,080
2. Net investment income .....	8,735,721	8,852,757	18,601,379
3. Miscellaneous income .....	12,795,174	10,359,633	23,946,831
4. Total (Lines 1 to 3) .....	1,681,904,023	1,645,700,877	3,444,039,290
5. Benefit and loss related payments .....	1,415,359,897	1,392,297,054	2,984,438,427
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	181,048,705	202,503,063	430,194,218
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....798,896 tax on capital gains (losses) .....	11,485,288	10,769,810	24,968,474
10. Total (Lines 5 through 9) .....	1,607,893,890	1,605,569,927	3,439,601,119
11. Net cash from operations (Line 4 minus Line 10) .....	74,010,133	40,130,950	4,438,171
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	354,814,972	393,226,262	731,603,980
12.2 Stocks .....	15,000,000	43,702,887	61,934,594
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	4,413	0	0
12.7 Miscellaneous proceeds .....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	369,819,385	436,929,149	793,538,574
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	389,781,690	529,059,009	767,694,661
13.2 Stocks .....	22,782,445	781,080	34,393,416
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	412,564,135	529,840,089	802,088,077
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(42,744,750)	(92,910,940)	(8,549,503)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied) .....	(105,475,681)	32,005,599	23,867,016
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(105,475,681)	32,005,599	23,867,016
<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) .....	(74,210,298)	(20,774,391)	19,755,684
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	74,299,394	54,543,710	54,543,710
19.2 End of period (Line 18 plus Line 19.1) .....	89,096	33,769,319	74,299,394

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

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	786,044	77,962	242,785	10,147	15,463	45,342	363,831	0	0	30,514
2. First Quarter .....	750,750	67,370	233,166	10,468	15,321	45,807	361,725	0	0	16,893
3. Second Quarter .....	747,199	64,752	233,327	10,592	15,761	45,725	360,897	0	0	16,145
4. Third Quarter .....	0	0	0	0	0	0	0	0	0	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	4,507,379	401,708	1,403,385	63,019	92,598	274,256	2,170,109	0	0	102,304
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician .....	4,356,195	178,757	635,946	70,885	0	0	3,470,607	0	0	0
8. Non-Physician .....	2,251,384	101,153	276,976	24,669	0	0	1,848,586	0	0	0
9. Total	6,607,579	279,910	912,922	95,554	0	0	5,319,193	0	0	0
10. Hospital Patient Days Incurred	92,390	5,535	14,749	2,655	0	0	69,451	0	0	0
11. Number of Inpatient Admissions	19,738	1,476	4,278	630	0	0	13,354	0	0	0
12. Health Premiums Written (a) .....	1,784,249,097	132,658,806	578,322,220	11,866,816	7,165,409	35,977,848	1,012,162,030	0	0	6,095,968
13. Life Premiums Direct .....	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written .....	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned .....	1,821,310,288	136,878,806	573,362,220	11,866,816	7,165,409	35,977,848	1,049,963,221	0	0	6,095,968
16. Property/Casualty Premiums Earned .....	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services.....	1,522,934,011	126,240,931	411,776,148	9,725,640	6,061,113	24,545,530	942,554,295	0	0	2,030,354
18. Amount Incurred for Provision of Health Care Services	1,541,313,874	124,500,138	409,412,144	10,400,936	6,089,200	25,426,785	964,844,295	0	0	640,376

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



## UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	79,115,848	472,277,677	5,169,830	85,216,962	84,285,678	92,997,179
2. Medicare Supplement .....	3,169,289	10,451,743	171,225	4,056,728	3,340,514	3,681,284
3. Dental Only .....	2,766,537	18,747,977	178,217	4,560,023	2,944,754	3,890,662
4. Vision Only .....	0	5,874,545	0	171,131	0	143,044
5. Federal Employees Health Benefits Plan .....	170,421,722	772,132,573	10,819,994	184,020,005	181,241,716	172,550,000
6. Title XVIII - Medicare .....	0	0	0	0	0	0
7. Title XIX - Medicaid .....	0	0	0	0	0	0
8. Other health .....	728,856	1,623,798	131,226	3,750,542	860,082	5,271,746
9. Health subtotal (Lines 1 to 8) .....	256,202,252	1,281,108,313	16,470,492	281,775,391	272,672,744	278,533,915
10. Healthcare receivables (a) .....	0	49,423,325	0	0	0	0
11. Other non-health .....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts .....	0	0	0	0	0	0
13. Totals (Lines 9-10+11+12)	256,202,252	1,231,684,988	16,470,492	281,775,391	272,672,744	278,533,915

(a) Excludes \$ 94,853,822 loans or advances to providers not yet expensed.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

For the six months ended June 30, 2016 and the year ended December 31, 2015, there were no differences in net income and surplus between NAIC SAP and practices prescribed by the District of Columbia.

		<i>(in thousands)</i>	
<u>NET INCOME</u>	<u>State of Domicile</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>
(1) State basis (Page 4, Line 32, Columns 2 & 4)	DC	\$ 14,677	\$ 34,975
(2) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(4) NAIC SAP (1-2-3=4)	DC	<u>\$ 14,677</u>	<u>\$ 34,975</u>
<u>SURPLUS</u>			
(5) State basis (Page 3, Line 33, Columns 3 & 4)	DC	\$ 981,838	\$ 960,215
(6) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(8) NAIC SAP (5-6-7=8)	DC	<u>\$ 981,838</u>	<u>\$ 960,215</u>

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

No change.

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

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

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

During the first quarter of 2016, the Company recorded a correction to prior year's claims incurred to reflect certain updated information related to pharmacy rebates receivable, reinsurance recoverable from the transitional reinsurance program and previously unrecognized claims data. As a result of these corrections, amounts related to claims interest expense, cross-jurisdictional reinsurance, affiliates' equity and taxes were also corrected. These adjustments resulted in assets and liabilities increasing by \$4,369,000 and \$1,908,000, respectively, and surplus increasing by \$2,461,000, net of taxes.

**3. Business Combinations and Goodwill**

Not applicable.

**4. Discontinued Operations**

Not applicable.

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

None.

**B. Debt Restructuring**

None.

**C. Reverse Mortgages**

None.

**D. Loan-Backed Securities**

## NOTES TO FINANCIAL STATEMENTS

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed securities are obtained from broker survey values. The Company uses IDC to determine the fair value for such securities.
- (2) The Company does not have any mortgage-backed/other asset-backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended June 30, 2016, the Company did not recognize other than temporary impairment in mortgage-backed/other asset-backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities. At June 30, 2016, the Company did not hold any mortgage-backed or other asset-backed securities where the present value of cash flows expected to be collected is less than the amortized cost basis.
- (4) The following table shows the gross unrealized losses and fair value of the Company's mortgage-backed/other asset-backed securities with unrealized losses that are not deemed to be other than temporarily impaired, aggregated by investment category and by length of time that individual securities have been in a continuous unrealized loss position (*in thousands*).

	Fair Value < 1 Year	Unrealized Losses < 1 Year	Fair Value > 1 Year	Unrealized Losses > 1 Year	Total Unrealized Losses
<b>June 30, 2016</b>					
Government sponsored enterprise mortgage-backed securities	\$ 12,541	\$ 31	\$ 14,415	\$ 49	\$ 80
Other mortgage-backed and asset-backed securities	4,073	57	4,184	50	107
Total	<u>\$ 16,614</u>	<u>\$ 88</u>	<u>\$ 18,599</u>	<u>\$ 99</u>	<u>\$ 187</u>

- (5) No change.

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

None.

**F. Real Estate**

None.

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

None.

**H. Restricted Assets**

None.

**I. Working Capital Finance Investments**

None.

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

None.

**K. Structured Notes**

No change.

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

A. – B. No change.

**7. Investment Income**

A. – B. No change.

**8. Derivative Instruments**

None.

**9. Income Taxes**

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

The 833(b) deduction results in the Company incurring income taxes at the Tentative Minimum Tax rate of 20%. As a result, the Company's income tax provision is reduced from the statutory rate of 35% to account for the benefit of the 833(b)

## NOTES TO FINANCIAL STATEMENTS

deduction. The Company could lose the benefit of the 833(b) deduction in the future if there is a change in the tax law, if the Company ceases to be not-for-profit, if the Company's reserves reach certain levels, if the medical loss ratio does not exceed 85% as required under the Health Reform Legislation, or if certain other events occur. If the Company can no longer use the 833(b) deduction, the Company will incur federal income taxes at the statutory rate of 35%, net of available Alternative Minimum Tax (AMT) credits.

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

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

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

	June 30, 2016			December 31, 2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$ 175,511	\$ 23,780	\$ 199,291	\$ 177,226	\$ 26,193	\$ 203,419	\$ (1,715)	\$ (2,413)	\$ (4,128)
Statutory valuation allowance adjustment	126,405	-	126,405	126,729	-	126,729	(324)	-	(324)
Adjusted gross deferred tax assets	49,106	23,780	72,886	50,497	26,193	76,690	(1,391)	(2,413)	(3,804)
Deferred tax assets nonadmitted	21,342	-	21,342	21,608	324	21,932	(266)	(324)	(590)
Subtotal net admitted deferred tax asset	27,764	23,780	51,544	28,889	25,869	54,758	(1,125)	(2,089)	(3,214)
Deferred tax liabilities	11	58,176	58,187	12	61,547	61,559	(1)	(3,371)	(3,372)
Net admitted deferred tax asset/(liability)	\$ 27,753	\$ (34,396)	\$ (6,643)	\$ 28,877	\$ (35,678)	\$ (6,801)	\$ (1,124)	\$ 1,282	\$ 158

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

	June 30, 2016			December 31, 2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 25,064	\$ -	\$ 25,064	\$ 27,367	\$ -	\$ 27,367	\$ (2,303)	\$ -	\$ (2,303)
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets from a, above) After application of the Threshold Limitation. (Lesser of b.i. and b.ii. Below)	-	-	-	-	-	-	-	-	-
i. Adjusted gross DTA expected to be realized following the Balance Sheet Date	-	-	-	-	-	-	-	-	-
ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	NA	NA	143,364	NA	NA	140,581	NA	NA	2,783
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above) Offset by Gross Deferred Tax Liabilities.	2,700	23,780	26,480	1,522	25,869	27,391	1,178	(2,089)	(911)
Deferred Tax Asset Admitted as the result of application of SSAP No. 101 Total (a.+b.+c.)	\$ 27,764	\$ 23,780	\$ 51,544	\$ 28,889	\$ 25,869	\$ 54,758	\$ (1,125)	\$ (2,089)	\$ (3,214)

	2016	2015
Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	882%	882%
Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation	\$ 955,759	\$ 937,206

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

	June 30, 2016			December 31, 2015			Change		
	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent
Adjusted Gross DTAs	\$ 49,106	\$ 23,780	\$ 72,886	\$ 50,497	\$ 26,193	\$ 76,690	\$ (1,391)	\$ (2,413)	\$ (3,804)
Percentage of Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net Admitted Adjusted Gross DTAs	\$ 27,764	\$ 23,780	\$ 51,544	\$ 28,889	\$ 25,869	\$ 54,758	\$ (1,125)	\$ (2,089)	\$ (3,214)
Percentage of Net Admitted Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

## NOTES TO FINANCIAL STATEMENTS

The provision for income taxes on earnings for the quarters ended June 30, 2016 and June 30, 2015 and year ended December 31, 2015 are as follows (*in thousands*):

	<b>Jun. 30, 2016</b>	<b>Jun. 30, 2015</b>	<b>Dec. 31, 2015</b>
Federal provision	\$ 17,544	\$ 14,629	\$ 23,102
Federal income tax on net capital gains	799	2,636	1,848
Federal income tax incurred	<u>\$ 18,343</u>	<u>\$ 17,265</u>	<u>\$ 24,950</u>

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

<b>Deferred Tax Assets:</b>	<b>Jun. 30, 2016</b>	<b>Dec. 31, 2015</b>	<b>Change</b>
<b>Ordinary</b>			
Benefit Obligations	\$ 41,270	\$ 41,255	\$ 15
Unpaid Claims	1,030	1,028	2
Accrued Expenses	5,464	7,926	(2,462)
Nonadmitted Assets	31,087	32,338	(1,251)
AMT Credits	91,601	89,755	1,846
Other	5,059	4,924	135
Subtotal	<u>175,511</u>	<u>177,226</u>	<u>(1,715)</u>
Statutory valuation allowance adjustment	126,405	126,729	(324)
Nonadmitted	<u>21,342</u>	<u>21,608</u>	<u>(266)</u>
Admitted ordinary deferred tax assets	27,764	28,889	(1,125)
<b>Capital</b>			
Investments	23,780	26,193	(2,413)
Subtotal	<u>23,780</u>	<u>26,193</u>	<u>(2,413)</u>
Nonadmitted	-	324	(324)
Admitted capital deferred tax assets	<u>23,780</u>	<u>25,869</u>	<u>(2,089)</u>
Admitted deferred tax assets	<u>51,544</u>	<u>54,758</u>	<u>(3,214)</u>
<b>Deferred Tax Liabilities:</b>			
<b>Ordinary</b>			
Accrued Expenses	-	-	-
Unpaid Claims	11	12	(1)
Subtotal	<u>11</u>	<u>12</u>	<u>(1)</u>
<b>Capital</b>			
Investments	2,689	1,754	935
Investment in affiliate	55,487	59,793	(4,306)
Subtotal	<u>58,176</u>	<u>61,547</u>	<u>(3,371)</u>
Deferred tax liabilities	<u>58,187</u>	<u>61,559</u>	<u>(3,372)</u>
Net deferred tax liabilities	<u>\$ (6,643)</u>	<u>\$ (6,801)</u>	<u>\$ 158</u>

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

	<b>Jun. 30, 2016</b>	<b>Dec. 31, 2015</b>	<b>Change</b>
Adjusted gross deferred tax assets	\$ 72,886	\$ 76,690	\$ (3,804)
Total deferred tax liabilities	58,187	61,559	3,372
Net deferred tax assets/(liabilities)	<u>\$ 14,699</u>	<u>\$ 15,131</u>	<u>\$ (432)</u>
Tax effect of unrealized gains(losses)			411
Investment in Affiliate			<u>(2,461)</u>
Change in net deferred income tax			<u>\$ (2,482)</u>

## NOTES TO FINANCIAL STATEMENTS

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

	Jun. 30, 2016	Effective Tax Rate
Benefit computed at statutory rate	\$ 11,557	35.00%
Section 833(b) Deduction	(14,998)	-45.42%
Permanent book to tax and other reserve adjustment	24,875	75.33%
Change in equity valuation allowance	(1,538)	-4.66%
Changes in valuation allowance	(324)	-0.98%
Nonadmitted assets and other	1,253	3.80%
Total	<u>\$ 20,825</u>	<u>63.07%</u>
Federal income taxes incurred	\$ 18,343	55.55%
Change in net deferred income taxes	2,482	7.52%
Total statutory income taxes	<u>\$ 20,825</u>	<u>63.07%</u>

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

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2012 and forward remain open under the statutes of limitation and subject to examination.

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

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

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

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

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

#### 11. Debt

None.

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

The components of net periodic benefit cost for the six months ended June 30, 2016 and 2015 are as follows (*in thousands*):

	Pension Benefits		Other Postretirement Benefits	
	2016	2015	2016	2015
Service cost	\$ 3,370	\$ 3,386	\$ 250	\$ 326
Interest cost	7,114	6,886	514	546
Expected return on plan assets	(10,716)	(11,526)	-	-
Amortization of transition asset	(1,324)	(1,324)	-	-
Amortization of prior service cost	98	108	138	138
Net recognized actuarial loss (gain)	4,608	4,068	(92)	-
Net periodic benefit cost for the six months ended June 30	<u>\$ 3,150</u>	<u>\$ 1,598</u>	<u>\$ 810</u>	<u>\$ 1,010</u>

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

## NOTES TO FINANCIAL STATEMENTS

- (1) – (8) No change.
- (9) The Company is subject to the Health Insurer Fee (HIF) under Section 9010 of the Patient Protection and Affordable Care Act. In accordance with SSAP No. 106 *Affordable Care Act Section 9010 Assessment* (SSAP 106) the Company's estimated HIF payable in the following year is required to be reclassified from unassigned surplus to special surplus. The Company's balance of special surplus funds represents the amount reclassified for the period. As a result of the 2017 HIF moratorium, there is no amount reclassified to special surplus in 2016.

- (10) Change in net unrealized capital gains (losses) for the six months ended June 30, 2016:

Change in the unrealized gains (losses) from:

Affiliated other invested assets:

CareFirst Holdings	\$	876,331
CareFirst BlueChoice		(14,047,298)
FirstCare		16,168
CFA		4,605,323
CASCI		2,265,704
NCIA		234,970
Unaffiliated common stocks		2,049,810
Bonds		3,086
Total unrealized gains (losses)		<u>(3,995,906)</u>
Capital gains deferred taxes		<u>(718,514)</u>

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

**less capital gains taxes (page 5 line 36)** \$ **(4,714,420)**

- (11) – (13) No change.

#### 14. Liabilities, Contingencies and Assessments

##### A. Contingent Commitments

None.

##### B. Assessments

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

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

##### C. Gain Contingencies

None.

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

None.

##### E. Joint and Several Liabilities

None.

##### F. All Other Contingencies

The Company insures individuals and provides administrative services to non-risk groups with members who are

## NOTES TO FINANCIAL STATEMENTS

qualified Medicare beneficiaries. Medicare law identifies the primary payer and secondary payer of claims when individuals are insured by either the Company or an employer and Medicare. During 2012, CFMI and GHMSI discovered a processing error related to the handling of claims for Medicare members of certain non-risk groups between the years from 2009 to 2012. This error was promptly corrected once identified. As a result, CFMI and GHMSI recorded a liability of \$4,800,000, of which \$1,143,000 was recorded by the Company representing the Company's best estimate of its portion of liability to the Centers for Medicare and Medicaid Services (CMS) at December 31, 2012. At December 31, 2013, the liability was reduced to \$721,000 after the Company completed its review of the claims data related to this liability. In 2014, the Company revised its estimate and recorded an additional liability of \$540,000. The balance of the liability is \$1,261,000 as of December 31, 2014, and is included in other liabilities. There have been no adjustments to this liability since December 31, 2014. The Company's management believes that the final resolution of this matter will not result in additional material liabilities to the Company.

On December 30, 2014, the DISB issued an order in which it concluded that GHMSI's RBC of 998% at December 31, 2011 was excessive, and that the appropriate RBC was 721%. The order stated that 21% of GHMSI's 2011 surplus was attributable to the District of Columbia (District), and instructed GHMSI to submit a plan for dedication of excess 2011 surplus attributable to the District to community reinvestment in a fair and equitable manner. GHMSI contends that this order is erroneous in many respects, as set out in a Motion to Reconsider filed on January 22, 2015, which was denied.

On June 14, 2016, the DISB issued a second order, in which it rejected arguments made by GHMSI that no further surplus distribution would be appropriate, and stated that DISB would issue a plan for distribution of surplus within sixty days. At that time, GHMSI and other parties may appeal the final order and the prior DISB orders to the District of Columbia Court of Appeals.

On July 22, 2016, GHMSI filed suit against the DISB Commissioner in the United States District Court for the District of Maryland, naming the Maryland Insurance Commissioner and the Chair of the Virginia State Corporation Commission as interested parties. Among other things, GHMSI seeks a ruling that the District cannot proceed without the agreement of Maryland and Virginia, as required by GHMSI's federal charter.

There is no present instruction to GHMSI to pay any sum of money, and there will be significant additional proceedings before any remedial plan is adopted. Those proceedings include any appeal of any final DISB order, conclusion of state proceedings in Maryland and Virginia, and the federal lawsuit filed by GHMSI. Currently, the effect of any remedial plan upon GHMSI in terms of dollars is uncertain, given that GHMSI's RBC has decreased since December 31, 2011.

GHMSI's requirements to consider the instructions of its regulators in Maryland and Virginia, and the pending legal decisions that will occur at a future time, coupled with the decline in RBC since the December 31, 2011 measurement date in the DISB December 30, 2014 order, and the fact that the December 30, 2014 order is not an appealable final order, combine to create substantial uncertainty as to whether a contingent liability exists at June 30, 2016. Therefore, GHMSI has concluded that it is not probable that a loss has been incurred. GHMSI has also concluded that a reasonable estimate of loss cannot be determined at this time. GHMSI will continue to monitor the developments in this matter which may require a reconsideration of whether a loss contingency should be recorded at a future date.

**15. Leases****A. Lessee Operating Lease**

No change.

**B. Lessor Leases**

Not applicable.

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

Not applicable.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities****A. Transfers of Receivables Reported as Sales**

Not applicable.

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

Not applicable.

**C. Wash Sales**

None.

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

## NOTES TO FINANCIAL STATEMENTS

Not applicable.

**B. ASC Plans**

The results from operations of uninsured ASC plans and the uninsured portion of partially insured plans were as follows for the six months ended June 30, 2016 and 2015 (*in thousands*):

	<b>June 30</b>	
	<b>2016</b>	<b>2015</b>
Gross reimbursement for medical costs incurred	\$ 433,646	\$ 382,051
Gross administrative fees accrued	28,535	24,864
Gross expenses incurred	(470,567)	(415,324)
Operating loss, before stop loss	\$ (8,386)	\$ (8,409)
Stop loss, net	5,791	6,465
Proforma operating loss	\$ (2,595)	\$ (1,944)

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

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

Not applicable.

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

Not applicable.

**20. Fair Value Measurements**

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

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

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset. Management is responsible for the determination of fair value, and performs monthly analyses on the prices received from third parties to determine whether the prices appear to be reasonable estimates of fair value.

There were no transfers between levels during the six months ended June 30, 2016.

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

**Bonds.** The fair value of U.S. Treasury securities is determined by an active price for an identical security in an observable market and is therefore classified as Level 1. Other U.S. government agencies securities, state and municipal securities, foreign governments securities, corporate bonds, mortgage-backed securities and other asset-backed securities that are priced by independent pricing services using observable inputs are classified as Level 2. Observable inputs used for other U.S. government agencies securities include quoted prices for like or similar assets, benchmark yields, reported trades and credit spreads. Observable inputs used for state and municipal securities, foreign governments securities and corporate bonds include quoted prices for identical or similar assets that are traded in an active market, benchmark yields, new issuances, issuer ratings, reported trades of comparable securities and credit spreads. The fair value of mortgage-backed securities and other asset-backed securities is determined by a cash flow model, which utilizes observable inputs such as quoted prices for identical or similar assets, benchmark yields, prepayment speeds, collateral performance, credit spreads, and default rates at commonly quoted intervals.

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

## NOTES TO FINANCIAL STATEMENTS

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

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value as of June 30, 2016
<b>Assets</b>				
Bonds	\$ —	\$ 474	\$ —	\$ 474
Common stocks				
Large capital equity index fund	—	44,127	—	44,127
Small capital equity index fund	—	19,715	—	19,715
International equity index fund	—	22,601	—	22,601
Publicly-traded fixed income index fund (a)	—	28,953	—	28,953
Privately held equity securities	—	—	3,827	3,827
Total common stocks	—	115,396	3,827	119,223
Total assets measured and reported at fair value	\$ —	\$ 115,870	\$ 3,827	\$ 119,697

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

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

Beginning balance at January 1, 2016	\$ 3,987
Losses recognized in capital and surplus—statutory-basis	(160)
Ending balance at June 30, 2016	<u>\$ 3,827</u>

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

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Aggregate Fair Value as of June 30, 2016	Admitted Assets as of June 30, 2016
Bonds	\$ 50,273	\$ 433,691	\$ —	\$ 483,964	\$ 469,008
Common stocks	—	115,396	3,827	119,223	119,223
Total assets at fair value	<u>\$ 50,273</u>	<u>\$ 549,087</u>	<u>\$ 3,827</u>	<u>\$ 603,187</u>	<u>\$ 588,231</u>

As of June 30, 2016, the Company has no financial instruments for which it is not practicable to estimate fair value.

## 21. Other Items

### A. Unusual or Infrequent Items

Not applicable.

### B. Troubled Debt Restructuring: Debtors

Not applicable.

### C. Other Disclosures

In accordance with SSAP 106, the entire HIF is recognized as general administrative expense on January 1. As of June 30, 2016 and 2015, the Company has recorded the HIF of \$60,808,000 and \$59,262,000, respectively, net of reinsurance.

### D. Business Interruption Insurance Recoveries

Not applicable.

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

Not applicable.

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

## NOTES TO FINANCIAL STATEMENTS

- (1) The Company categorizes mortgage securities with an average FICO score of less than 675 (credit score) as a subprime mortgage security. The Company has no subprime mortgage securities as of June 30, 2016.
- (2) The Company does not engage in mortgage lending and therefore has no direct exposure through investments in subprime mortgage loans.
- (3) The Company has no exposure in subprime mortgage lending through its fixed maturity and equity investments.

**G. Retained Assets**

Not applicable.

**H. Insurance-Linked Securities**

Not applicable.

**22. Events Subsequent**

Not applicable.

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

The Company maintains a quota-share reinsurance contract with FirstCare, a former plan sponsor of Medicare Part D prescription drug insurance coverage under a contract with CMS. Effective July 11, 2014, FirstCare is no longer a Medicare Part D plan sponsor. Therefore, the reinsurance amounts assumed by the Company represent FirstCare's obligations from run-out activities. The Company assumed no risk premiums and incurred an underwriting gain (loss) in the amount of \$63,000 and \$(104,000) for the six months ended June 30, 2016 and 2015, respectively.

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). The net underwriting gain or loss from this cross-jurisdictional business is transferred via a quota-share reinsurance contract from the company that earned them to the company in whose service area they were earned. The Company remains obligated for amounts ceded in the event that CFMI does not meet its obligations. As a result of this reinsurance agreement, the following amounts were assumed from and ceded to CFMI for the six months ended June 30, 2016 and 2015 (*in thousands*):

	<b>June 30</b>	
	<b>2016</b>	<b>2015</b>
Premiums assumed	\$ 17,224	\$ 18,967
Premiums ceded	(52,236)	(56,183)
Premiums, net	(35,012)	(37,216)
Cost of care assumed	11,386	14,292
Cost of care ceded	(40,186)	(35,770)
Cost of care, net	(28,800)	(21,478)
General and administrative expenses ceded, net	(6,830)	(7,474)
Net loss (gain) ceded	\$ 618	\$ (8,264)

**B. Uncollectible Reinsurance**

Not applicable.

**C. Commutation of Ceded Reinsurance**

Not applicable.

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

Not applicable.

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

A. – C. Not applicable.

## NOTES TO FINANCIAL STATEMENTS

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

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ —	\$ —	\$ —	\$ —	\$ —
(2) Medical loss ratio rebates paid	—	—	—	—	—
(3) Medical loss ratio rebates unpaid	—	—	—	—	—
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	551
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 551
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ —	\$ 2,060	\$ —	\$ —	\$ 2,060
(8) Medical loss ratio rebates paid	—	—	—	—	—
(9) Medical loss ratio rebates unpaid	—	2,060	—	—	2,060
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	551
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	524
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 2,087

The assumed and ceded amounts above are under the Company's reinsurance contracts with FirstCare and CFMI, respectively (refer to Note 23).

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

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

Yes.

## NOTES TO FINANCIAL STATEMENTS

2. Impact of Risk-Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue for the six months ended June 30, 2016 ( <i>in thousands</i> ):	
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ 101,889
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	178
3. Premium adjustments payable due to ACA Risk Adjustment	-
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts written due to ACA Risk Adjustment	47,132
5. Reported in expenses as ACA risk adjustment user fees incurred	82
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ 25,452
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	1,848
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	-
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	11,855
5. Ceded reinsurance premiums payable due to ACA Reinsurance	337
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	-
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	337
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	4,914
9. ACA Reinsurance contributions – not reported as ceded premium	6,184
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due from ACA Risk Corridors	\$ 3
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	3,300
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income	-
4. Effect of ACA Risk Corridors on change in reserves for rate credits	3,100

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

Supplemental schedule of ACA Risk Corridors Receivables by program year (*in thousands*):

	(A)	(B)	(C)	(D) = (A) - (B) - (C)	(E)	(F) = (D) - (E)
Risk Corridors Program Year:	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admissions)	Non-admitted Amount	Net Admitted Asset
2014	\$ 1,022	\$ 893	\$ 126	\$ 3	-	\$ 3
2015	6,050	6,050	-	-	-	-
2016	7,570	7,570	-	-	-	-
Total	<u>\$ 14,642</u>	<u>\$ 14,513</u>	<u>\$ 126</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>

NOTES TO FINANCIAL STATEMENTS

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

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
					Prior Year Accrued Less Payments (Col1 - 3)	Prior Year Accrued Less Payments (Col2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col1-3+7)	Cumulative Balance from Prior Years (Col2-4+8)	
					5	6	7	8	9	10	
	1	2	3	4	5	6	7	8	Ref	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ 55,397	\$ -	\$ 640	\$ -	\$ 54,757	\$ -	\$ 16,032	\$ -	A	\$ 70,789	\$ -
2. Premium adjustments (payable)	-	-	-	-	-	-	-	-	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	55,397	-	640	-	54,757	-	16,032	-		70,789	-
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	29,752	-	10,293	-	19,459	-	3,103	-	C	22,562	-
2. Amounts recoverable for claims unpaid (contra liability)	3,410	-	-	-	3,410	-	(3,410)	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	-	5,671	-	-	-	5,671	-	-	F	-	5,671
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	33,162	5,671	10,293	-	22,869	5,671	(307)	-		22,562	5,671
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	18	-	15	-	3	-	-	-	I	3	-
2. Reserve for rate credits or policy experience rating refunds	-	200	-	-	-	200	-	-	J	-	200
3. Subtotal ACA Risk Corridors Program	18	200	15	-	3	200	-	-		3	200
d. Total for ACA Risk Sharing Provisions	\$ 88,577	\$ 5,871	\$ 10,948	\$ -	\$ 77,629	\$ 5,871	\$ 15,725	\$ -		\$ 93,354	\$ 5,871

Explanations of Adjustments:

- A. True-up to reflect the 2015 actual based upon the risk adjustment results published by HHS.
- B. Not applicable.
- C. Include run-out claims through 3/31/2016.
- D. Accrued receivable is now included in amounts recoverable for claims paid.
- E. Not applicable.
- F. Not applicable.
- G. Not applicable.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.

Supplemental roll-forward of ACA Risk Corridors by program year (*in thousands*):

Risk Corridors Program Year:	Accrued as of December 31 of the prior reporting year		Received or Paid as of the Current Period on Business Written For the Risk Corridors Program Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
					Accrued Less Payments (Col1 - 3)	Accrued Less Payments (Col2 - 4)	Balances	Balances	Cumulative Balance (Col1-3+7)	Cumulative Balance (Col2-4+8)	
					5	6	7	8	9	10	
	1	2	3	4	5	6	7	8	Ref	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
2014											
Accrued Retrospective premium	\$ 18	\$ -	\$ 15	\$ -	\$ 3	\$ -	\$ -	\$ -		\$ 3	\$ -
Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-		-	-
2015											
Accrued Retrospective premium	-	-	-	-	-	-	-	-		-	-
Reserve for rate credits or policy experience rating refunds	-	200	-	-	-	200	-	-		-	200
2016											
Accrued Retrospective premium	-	-	-	-	-	-	-	-		-	-
Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-		-	-
Total for Risk Corridors	\$ 18	\$ 200	\$ 15	\$ -	\$ 3	\$ 200	\$ -	\$ -		\$ 3	\$ 200

## NOTES TO FINANCIAL STATEMENTS

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

As of June 30, 2016, \$256,202,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$16,470,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$5,861,000 favorable prior year development since December 31, 2015 to June 30, 2016, which includes an \$8,692,000 unfavorable development in the Federal Employee Program line of business. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

### 26. Intercompany Pooling Arrangements

Not applicable.

### 27. Structured Settlements

Not applicable.

### 28. Health Care Receivables

#### A. Pharmaceutical Rebate Receivables

No change.

#### B. Risk Sharing Receivables

Not applicable.

### 29. Participating Policies

Not applicable.

### 30. Premium Deficiency Reserve

1. Liability carried for premium deficiency reserves: \$4,430,000 within aggregate health policy reserves
2. Date of the most recent evaluation of this liability: June 30, 2016
3. Was anticipated investment income utilized in the calculation? No

### 31. Anticipated Salvage and Subrogation

No change.

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [ X ]
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [ X ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] N/A [ X ]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2013
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2013
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 06/29/2015
- 6.4 By what department or departments?  
District of Columbia Department of Insurance, Securities and Banking
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] N/A [ X ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] N/A [ X ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

## GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes  No   
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? ..... Yes  No   
 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 The code was amended in 2015 with an effective date of January 1, 2016 to reflect best practices and new policies as part of a periodic update.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes  No   
 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

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

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes  No   
 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....0  
 13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes  No   
 14.2 If yes, please complete the following:
- |   | 1<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Book/Adjusted<br>Carrying Value |
|---|--|---|
| 14.21 Bonds .....   | \$ .....0  | \$ .....0   |
| 14.22 Preferred Stock .....   | \$ .....0  | \$ .....0   |
| 14.23 Common Stock .....  | \$ .....0  | \$ .....0   |
| 14.24 Short-Term Investments .....  | \$ .....0  | \$ .....0   |
| 14.25 Mortgage Loans on Real Estate .....   | \$ .....0  | \$ .....0   |
| 14.26 All Other .....   | \$ .....458,150,117                                    | \$ .....453,844,008                                     |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) ..... | \$ .....458,150,117                                    | \$ .....453,844,008                                     |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....                       | \$ .....0  | \$ .....0   |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes  No   
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No   
 If no, attach a description with this statement.

## GENERAL INTERROGATORIES

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

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [  ] No [  ]
- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

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

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

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

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

- 17.4 If yes, give full information relating thereto:

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

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

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

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

- 18.2 If no, list exceptions:

# GENERAL INTERROGATORIES

## PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent .....85.9 %
  - 1.2 A&H cost containment percent .....1.5 %
  - 1.3 A&H expense percent excluding cost containment expenses .....13.6 %
- 2.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date .....\$.....0
- 2.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date .....\$.....0

**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

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

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.  
**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama AL	N	0	0	0	0	0	0	0	0	
2. Alaska AK	N	0	0	0	0	0	0	0	0	
3. Arizona AZ	N	0	0	0	0	0	0	0	0	
4. Arkansas AR	N	0	0	0	0	0	0	0	0	
5. California CA	N	0	0	0	0	0	0	0	0	
6. Colorado CO	N	0	0	0	0	0	0	0	0	
7. Connecticut CT	N	0	0	0	0	0	0	0	0	
8. Delaware DE	N	0	0	0	0	0	0	0	0	
9. District of Columbia DC	L	290,512,089	0	0	196,272,508	0	0	486,784,597	0	
10. Florida FL	N	0	0	0	0	0	0	0	0	
11. Georgia GA	N	0	0	0	0	0	0	0	0	
12. Hawaii HI	N	0	0	0	0	0	0	0	0	
13. Idaho ID	N	0	0	0	0	0	0	0	0	
14. Illinois IL	N	0	0	0	0	0	0	0	0	
15. Indiana IN	N	0	0	0	0	0	0	0	0	
16. Iowa IA	N	0	0	0	0	0	0	0	0	
17. Kansas KS	N	0	0	0	0	0	0	0	0	
18. Kentucky KY	N	0	0	0	0	0	0	0	0	
19. Louisiana LA	N	0	0	0	0	0	0	0	0	
20. Maine ME	N	0	0	0	0	0	0	0	0	
21. Maryland MD	L	237,510,732	0	0	458,937,856	0	0	696,448,588	0	
22. Massachusetts MA	N	0	0	0	0	0	0	0	0	
23. Michigan MI	N	0	0	0	0	0	0	0	0	
24. Minnesota MN	N	0	0	0	0	0	0	0	0	
25. Mississippi MS	N	0	0	0	0	0	0	0	0	
26. Missouri MO	N	0	0	0	0	0	0	0	0	
27. Montana MT	N	0	0	0	0	0	0	0	0	
28. Nebraska NE	N	0	0	0	0	0	0	0	0	
29. Nevada NV	N	0	0	0	0	0	0	0	0	
30. New Hampshire NH	N	0	0	0	0	0	0	0	0	
31. New Jersey NJ	N	0	0	0	0	0	0	0	0	
32. New Mexico NM	N	0	0	0	0	0	0	0	0	
33. New York NY	N	0	0	0	0	0	0	0	0	
34. North Carolina NC	N	0	0	0	0	0	0	0	0	
35. North Dakota ND	N	0	0	0	0	0	0	0	0	
36. Ohio OH	N	0	0	0	0	0	0	0	0	
37. Oklahoma OK	N	0	0	0	0	0	0	0	0	
38. Oregon OR	N	0	0	0	0	0	0	0	0	
39. Pennsylvania PA	N	0	0	0	0	0	0	0	0	
40. Rhode Island RI	N	0	0	0	0	0	0	0	0	
41. South Carolina SC	N	0	0	0	0	0	0	0	0	
42. South Dakota SD	N	0	0	0	0	0	0	0	0	
43. Tennessee TN	N	0	0	0	0	0	0	0	0	
44. Texas TX	N	0	0	0	0	0	0	0	0	
45. Utah UT	N	0	0	0	0	0	0	0	0	
46. Vermont VT	N	0	0	0	0	0	0	0	0	
47. Virginia VA	L	244,064,246	0	0	356,951,666	0	0	601,015,912	0	
48. Washington WA	N	0	0	0	0	0	0	0	0	
49. West Virginia WV	N	0	0	0	0	0	0	0	0	
50. Wisconsin WI	N	0	0	0	0	0	0	0	0	
51. Wyoming WY	N	0	0	0	0	0	0	0	0	
52. American Samoa AS	N	0	0	0	0	0	0	0	0	
53. Guam GU	N	0	0	0	0	0	0	0	0	
54. Puerto Rico PR	N	0	0	0	0	0	0	0	0	
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	0	
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	0	
57. Canada CAN	N	0	0	0	0	0	0	0	0	
58. Aggregate Other Aliens OT	XXX	0	0	0	0	0	0	0	0	
59. Subtotal	XXX	772,087,067	0	0	1,012,162,030	0	0	1,784,249,097	0	
60. Reporting Entity Contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0	
61. Totals (Direct Business)	(a) 3	772,087,067	0	0	1,012,162,030	0	0	1,784,249,097	0	
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	

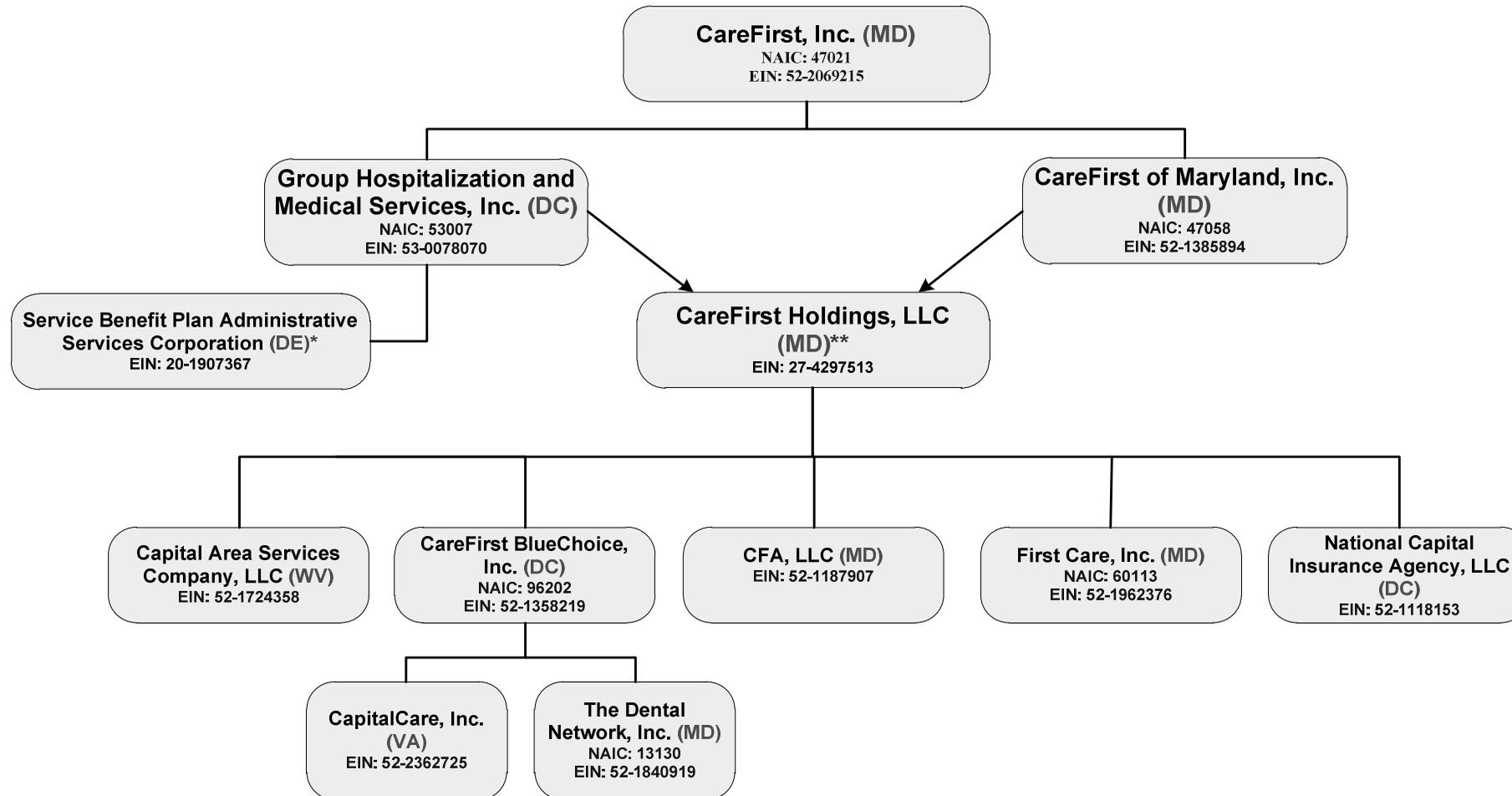
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

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

The D.C. Accident & Health Premiums above include premiums from the Federal Employees Dental/Vision Program (FEDVIP) of \$7,695,053.

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



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

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

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

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

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

Asterisk	Explanation
N/A	

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.

Bar Code:

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



**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Liabilities Line 23

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Contingent Liability Reserve .....	2,611,060	0	2,611,060	2,611,060
2305. Tax Contingency Reserve .....	711,674	0	711,674	711,674
2306. Other Liabilities .....	4,733,286	0	4,733,286	5,724,191
2397. Summary of remaining write-ins for Line 23 from overflow page	8,056,020	0	8,056,020	9,046,925

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE A - VERIFICATION**

Real Estate

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

NONE

**SCHEDULE B - VERIFICATION**

Mortgage Loans

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

NONE

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	458,316,784	459,647,709
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	(4,306,109)	(1,330,925)
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and depreciation .....	0	0
9. Total foreign exchange change in book/adjusted carrying value .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	454,010,675	458,316,784
12. Deduct total nonadmitted amounts .....	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12) .....	453,844,008	458,150,117

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	540,543,345	536,993,824
2. Cost of bonds and stocks acquired .....	412,564,135	802,088,077
3. Accrual of discount .....	112,152	247,333
4. Unrealized valuation increase (decrease) .....	2,052,906	(11,505,797)
5. Total gain (loss) on disposals .....	3,990,061	9,240,135
6. Deduct consideration for bonds and stocks disposed of .....	369,814,972	793,538,574
7. Deduct amortization of premium .....	1,216,582	2,981,653
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	588,231,045	540,543,345
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11) .....	588,231,045	540,543,345

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 1B**

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	521,888,113	227,639,871	335,512,788	(1,124,481)	521,888,113	412,890,715	0	396,978,540
2. NAIC 2 (a) .....	99,807,027	23,718,058	14,730,116	178,984	99,807,027	108,973,953	0	109,802,122
3. NAIC 3 (a) .....	0	0	1,219	309,964	0	308,745	0	0
4. NAIC 4 (a) .....	939,003	0	2,173	(1,313)	939,003	935,517	0	1,004,331
5. NAIC 5 (a) .....	0	0	0	0	0	0	0	0
6. NAIC 6 (a) .....	0	0	0	0	0	0	0	18
7. Total Bonds	622,634,143	251,357,929	350,246,296	(636,846)	622,634,143	523,108,930	0	507,785,011
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	0	0	0	0	0	0	0	0
9. NAIC 2 .....	0	0	0	0	0	0	0	0
10. NAIC 3 .....	0	0	0	0	0	0	0	0
11. NAIC 4 .....	0	0	0	0	0	0	0	0
12. NAIC 5 .....	0	0	0	0	0	0	0	0
13. NAIC 6 .....	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	622,634,143	251,357,929	350,246,296	(636,846)	622,634,143	523,108,930	0	507,785,011

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

**SCHEDULE DA - PART 1**

## Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	54,100,979	xxx	54,107,165	165,825	1,681

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	75,822,130	100,548,545
2. Cost of short-term investments acquired .....	127,503,997	319,032,168
3. Accrual of discount .....	62	17
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals .....	4,413	0
6. Deduct consideration received on disposals .....	149,224,817	343,757,220
7. Deduct amortization of premium .....	4,806	1,380
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	54,100,979	75,822,130
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	54,100,979	75,822,130

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

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

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

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

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

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

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

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

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

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

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

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

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 3**

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
3133EE-E6-3	FEDERAL FARM CR BKS		.04/21/2016	MIZUHO SECURITIES USA INC		6,999,300	7,000,000	89,479	1
3622A2-TA-0	GNMA PASS-THRU C PLATINUM 30YR		.04/19/2016	WACHOVIA SECURITIES INC		199,594	188,241	403	1
36183E-ZE-5	GNMA PASS-THRU C SINGLE FAMILY		.04/15/2016	NOMURA SECURITIES/FIX INCOME		25,869	24,274	45	1
36193E-PR-5	GNMA PASS-THRU C SINGLE FAMILY		.06/10/2016	JP MORGAN SECURITIES INC		258,663	242,805	472	1
36193U-CX-0	GNMA PASS-THRU C SINGLE FAMILY		.06/15/2016	WACHOVIA SECURITIES INC		26,657	24,964	49	1
36193V-FR-8	GNMA PASS-THRU C SINGLE FAMILY		.06/15/2016	WACHOVIA SECURITIES INC		10,661	9,984	19	1
36179R-7H-6	GNMA PASS-THRU M SINGLE FAMILY		.05/16/2016	RBC CAPITAL MARKETS CORP		1,264,759	1,217,120	2,231	1
36179R-F7-9	GNMA PASS-THRU M SINGLE FAMILY		.05/26/2016	WACHOVIA SECURITIES INC		56,598	56,651	79	1
3622A2-QJ-4	GNMA PASS-THRU X PLATINUM 30YR		.05/11/2016	SCOTT & STRINGFELLOW INVESTMEN		440,651	400,478	1,101	1
36181B-V5-6	GNMA PASS-THRU X SINGLE FAMILY		.04/15/2016	BNY/SUNTRUST CAPITAL MARKETS		19,984	18,897	35	1
912810-PX-0	UNITED STATES TREAS BDS		.05/31/2016	VARIOUS		2,280,565	1,675,000	23,004	1
912810-QY-7	UNITED STATES TREAS BDS		.05/25/2016	BARCLAYS CAPITAL INC		604,658	590,000	485	1
912810-RK-6	UNITED STATES TREAS BDS		.05/11/2016	WACHOVIA SECURITIES INC		176,970	180,000	1,125	1
912810-RQ-3	UNITED STATES TREAS BDS		.04/21/2016	CFG CAPITAL MARKETS LLC		323,323	24,000,000	112,088	1
912810-RS-9	UNITED STATES TREAS BDS		.05/18/2016	CFG CAPITAL MARKETS LLC		11,586,562	12,000,000	8,152	1
912828-Q3-7	UNITED STATES TREAS NTS		.04/25/2016	HSBC SECS INC JAMES CAPEL		994,102	1,000,000	956	1
912828-R2-8	UNITED STATES TREAS NTS		.05/12/2016	CFG CAPITAL MARKETS LLC		2,012,500	2,000,000	1,148	1
912828-R5-1	UNITED STATES TREAS NTS		.06/07/2016	LINSCO/PRIVATE LEDGER CORP. RE		24,539,347	24,500,000	2,773	1
912828-T6-5	UNITED STATES TREAS NTS		.04/25/2016	BANC AMERICA SECURITIES LLC		1,496,484	1,500,000	1,813	1
912828-WL-0	UNITED STATES TREAS NTS		.05/31/2016	CREDIT USA		578,060	570,000	23	1
<b>0599999. Subtotal - Bonds - U.S. Governments</b>						<b>76,895,109</b>	<b>77,198,416</b>	<b>245,480</b>	<b>XXX</b>
3137EA-EA-3	FEDERAL HOME LN MTG CORP		.04/18/2016	LINSCO/PRIVATE LEDGER CORP. RE		9,994,300	10,000,000	2,500	1
3130A7-CX-1	FEDERAL HOME LOAN BANKS		.04/19/2016	LINSCO/PRIVATE LEDGER CORP. RE		4,508,262	4,500,000	3,391	1
313378-AA-3	FEDERAL HOME LOAN BANKS		.04/13/2016	LINSCO/PRIVATE LEDGER CORP. RE		10,114,000	10,000,000	14,896	1
3135G0-ZG-1	FEDERAL NATL MTG ASSN		.05/03/2016	MIZUHO SECURITIES USA INC		7,161,140	7,000,000	17,694	1
31335A-PZ-5	FHLMC PC GOLD COMB 30		.05/03/2016	VARIOUS		608,939	575,753	616	1
3138WG-2M-5	FNMA PASS-THRU INT 15 YEAR		.04/11/2016	BNP PARIBAS SECS CORP/BOND		736,506	715,000	844	1
3138WG-P8-1	FNMA PASS-THRU INT 15 YEAR		.05/09/2016	LINSCO/PRIVATE LEDGER CORP. RE		3,160,626	3,011,464	4,266	1
3138ET-E8-5	FNMA PASS-THRU INT 20 YEAR		.05/09/2016	LINSCO/PRIVATE LEDGER CORP. RE		5,197,505	4,800,004	5,867	1
3138EP-V3-5	FNMA PASS-THRU LNG 30 YEAR		.04/11/2016	CFG CAPITAL MARKETS LLC		1,927,671	1,764,206	3,724	1
3138ET-T9-7	FNMA PASS-THRU LNG 30 YEAR		.06/08/2016	BARCLAYS CAPITAL INC		2,178,803	1,974,000	2,961	1
3138WD-KX-8	FNMA PASS-THRU LNG 30 YEAR		.04/05/2016	CFG CAPITAL MARKETS LLC		9,670,456	8,967,099	11,956	1
3138WG-A6-1	FNMA PASS-THRU LNG 30 YEAR		.04/08/2016	RBC CAPITAL MARKETS CORP		1,321,328	1,258,502	1,468	1
3138WH-ER-9	FNMA PASS-THRU LNG 30 YEAR		.06/15/2016	RBC CAPITAL MARKETS CORP		1,036,806	1,004,779	1,591	1
3141BB-U7-9	FNMA PASS-THRU LNG 30 YEAR		.05/12/2016	NOMURA SECURITIES/FIX INCOME		2,219,307	2,074,724	2,766	1
3136AM-D7-1	FNMA REMIC TRUST 2015-12		.05/13/2016	VARIOUS		2,915,636	2,881,165	2,601	1
64990C-ER-8	NEW YORK ST DORM AUTH REVS NON		.06/02/2016	FUMB-FUNDS II		375,000	375,000	0	1FE
88276P-OH-7	TEXAS ST PUB FIN AUTH CHARTER REV		.05/24/2016	RAYMOND JAMES & ASSOCIATES, INC		1,219,400	1,000,000	23,021	2FE
<b>3199999. Subtotal - Bonds - U.S. Special Revenues</b>						<b>64,345,685</b>	<b>61,901,695</b>	<b>100,162</b>	<b>XXX</b>
023135-AM-8	AMAZON COM INC		.04/11/2016	CFG CAPITAL MARKETS LLC		2,147,420	2,000,000	23,650	1FE
023135-AQ-9	AMAZON COM INC		.06/07/2016	MERRILL LYNCH PROFESSIONL CLEAR		2,388,360	2,000,000	1,375	1FE
031162-BV-1	AMGEN INC		.05/06/2016	RBC CAPITAL MARKETS CORP		1,053,470	1,000,000	17,017	2FE
035242-AP-1	ANHEUSER BUSCH INBEV FIN INC		.05/12/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,114,900	2,000,000	22,711	1FE
037833-AR-1	APPLE INC		.04/08/2016	RBC CAPITAL MARKETS CORP		2,838,181	2,702,000	33,584	1FE
037833-BX-7	APPLE INC		.06/07/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,242,660	2,000,000	27,642	1FE
037833-BY-5	APPLE INC		.05/17/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,091,400	2,000,000	15,708	1FE
00206P-CP-5	AT&T INC		.06/22/2016	MIZUHO SECURITIES USA INC		2,025,440	2,000,000	10,500	2FE
053332-AT-9	AUTOZONE INC		.04/18/2016	BARCLAYS CAPITAL INC		134,965	135,000	0	2FE
060516-FX-2	BANK AMER CORP		.04/14/2016	BANC AMERICA SECURITIES LLC		249,583	250,000	0	2FE
07177M-AD-5	BAXALTA INC		.06/16/2016	RBC CAPITAL MARKETS CORP		166,051	165,000	2,298	2FE
084670-BK-3	BERKSHIRE HATHAWAY INC DEL		.06/03/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,282,660	2,000,000	29,250	1FE
14040H-BJ-3	CAPITAL ONE FINL CORP		.05/11/2016	SALOMON SMITH BARNY INC/SAL		334,110	325,000	645	2FE
15200W-AC-9	CENTERPOINT ENGY TRANS 2012-4		.05/12/2016	CFG CAPITAL MARKETS LLC		1,596,445	1,500,000	4,038	1FE
174010-AE-1	CITIZENS BANK N A		.05/10/2016	MORGAN STANLEY		249,768	250,000	0	2FE
125896-BO-2	CMS ENERGY CORP		.05/02/2016	RBC CAPITAL MARKETS CORP		418,412	420,000	0	2FE
19416Q-E6-1	COLGATE PALMOLIVE CO MTNS BE		.05/25/2016	MERRILL LYNCH PROFESSIONL CLEAR		2,166,220	2,000,000	13,722	1FE
126650-CK-4	CVS HEALTH CORP		.04/19/2016	MERRILL LYNCH PROFESSIONL CLEAR		2,137,980	2,000,000	17,889	2FE
126650-CN-8	CVS HEALTH CORP		.06/13/2016	CFG CAPITAL MARKETS LLC		2,441,660	2,000,000	41,569	2FE
24422E-SL-4	DEERE JOHN CAP CORP MTNS BE		.04/19/2016	MERRILL LYNCH PROFESSIONL CLEAR		2,083,460	2,000,000	7,467	1FE
260543-OH-4	DOW CHEM CO		.04/07/2016	MIZUHO SECURITIES USA INC		2,059,620	2,000,000	24,500	2FE
26442C-AM-6	DUKE ENERGY CAROLINAS LLC		.04/07/2016	MERRILL LYNCH PROFESSIONL CLEAR		1,646,010	1,500,000	20,719	1FE
26442C-AR-5	DUKE ENERGY CAROLINAS LLC		.06/08/2016	CFG CAPITAL MARKETS LLC		2,112,360	2,000,000	19,806	1FE

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STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 3**

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
29379V-BL-6	ENTERPRISE PRODS OPER LLC		.04/04/2016	JP MORGAN SECURITIES INC		99,760	100,000	.0	2FE
29717P-AO-0	ESSEX PORTFOLIO L P		.04/04/2016	WACHOVIA SECURITIES CAPITAL		198,772	200,000	.0	2FE
30161N-AU-5	EXELON CORP		.04/04/2016	BARCLAYS CAPITAL INC		354,787	355,000	.0	2FE
30219G-AL-2	EXPRESS SCRIPTS HLDG CO		.04/12/2016	U.S. BANCORP PIPER JAFFRAY INC		2,068,275	2,000,000	8,754	2FE
30231G-AT-9	EXXON MOBIL CORP		.06/22/2016	LINSCO/PRIVATE LEDGER CORP. RE		3,153,090	3,000,000	28,909	1FE
31428X-BC-9	FEDEX CORP		.06/22/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,073,120	2,000,000	25,956	2FE
375558-BD-4	GILEAD SCIENCES INC		.04/13/2016	RBC CAPITAL MARKETS CORP		2,235,780	2,000,000	12,403	1FE
40139L-AA-1	GUARDIAN LIFE GLBL FDG 144A		.05/12/2016	MERRILL LYNCH PROFESSNL CLEAR		1,006,150	1,000,000	1,167	1FE
406216-BG-5	HALLIBURTON CO		.06/22/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,067,040	2,000,000	8,867	1FE
427866-AU-2	HERSHEY CO		.06/22/2016	CFG CAPITAL MARKETS LLC		2,140,480	2,000,000	22,400	1FE
437076-BM-3	HOME DEPOT INC		.06/22/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,109,600	2,000,000	22,500	1FE
458140-AV-2	INTEL CORP		.06/07/2016	NATIONAL FINL SERVICES CORP		2,048,020	2,000,000	4,783	1FE
478045-AA-5	JOHN SEVIER COMBINED CYCLE LLC		.06/14/2016	U.S. BANCORP PIPER JAFFRAY INC		542,252	472,716	9,233	1FE
494368-BL-6	KIMBERLY CLARK CORP		.06/21/2016	MERRILL LYNCH PROFESSNL CLEAR		2,130,520	2,000,000	4,728	1FE
494368-BQ-5	KIMBERLY CLARK CORP		.04/19/2016	MERRILL LYNCH PROFESSNL CLEAR		2,043,360	2,000,000	7,508	1FE
501044-CT-6	KROGER CO		.06/03/2016	MERRILL LYNCH PROFESSNL CLEAR		2,343,800	2,000,000	36,336	2FE
504918-AU-8	MICROSOFT CORP		.06/22/2016	MERRILL LYNCH PROFESSNL CLEAR		1,508,715	1,500,000	8,750	1FE
638671-AE-7	NATIONWIDE MUT INS CO 144A		.06/01/2016	RAYMOND JAMES & ASSOCIATES, INC		2,997,008	2,250,000	14,055	1FE
66989H-AJ-7	NOVARTIS CAPITAL CORP 144A		.06/07/2016	MERRILL LYNCH PROFESSNL CLEAR		2,103,740	2,000,000	3,333	1FE
674599-CH-6	OCCIDENTAL PETE CORP DEL		.04/01/2016	BANC AMERICA SECURITIES LLC		374,145	375,000	.0	1FE
68217F-AA-0	OMNICOM GROUP INC		.04/01/2016	SALOMON SMITH BARNEY INC/SAL		224,791	225,000	.0	2FE
68389X-BB-0	ORACLE CORP		.04/11/2016	CFG CAPITAL MARKETS LLC		2,052,860	2,000,000	20,694	1FE
713448-DD-7	PEPSICO INC		.06/20/2016	CFG CAPITAL MARKETS LLC		2,268,940	2,000,000	17,058	1FE
806851-AG-6	SCHLUMBERGER HLDGS CORP 144A		.05/12/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,115,800	2,000,000	32,444	1FE
842587-CX-3	SOUTHERN CO		.05/19/2016	SALOMON SMITH BARNEY INC/SAL		1,347,981	1,355,000	.0	2FE
855244-AK-5	STARBUCKS CORP		.06/22/2016	CFG CAPITAL MARKETS LLC		1,004,810	1,000,000	2,790	1FE
863667-AJ-0	STRYKER CORP		.06/03/2016	MERRILL LYNCH PROFESSNL CLEAR		2,201,480	2,000,000	22,611	1FE
89171Y-AD-3	TOWD POINT MTG TR 2015-2 144A		.04/01/2016	RAYMOND JAMES & ASSOCIATES, INC		1,935,000	2,000,000	903	1FM
91324P-CN-0	UNITEDHEALTH GROUP INC		.06/21/2016	STIFEL, NICOLAUS & CO., INC.		1,169,311	1,100,000	16,275	1FE
91529Y-AM-8	UNUM GROUP		.05/04/2016	JP MORGAN SECURITIES INC		59,869	60,000	.0	2FE
92826C-AB-8	VISA INC		.05/12/2016	MERRILL LYNCH PROFESSNL CLEAR		1,022,670	1,000,000	9,350	1FE
92826C-AF-9	VISA INC		.06/01/2016	LINSCO/PRIVATE LEDGER CORP. RE		1,115,000	1,000,000	20,544	1FE
931142-DK-6	WAL-MART STORES INC		.06/20/2016	CFG CAPITAL MARKETS LLC		2,416,820	2,000,000	21,375	1FE
931427-AR-9	WALGREENS BOOTS ALLIANCE INC		.06/01/2016	NATIONAL FINL SERVICES CORP		2,033,000	2,000,000	1,292	2FE
94974B-FJ-4	WELLS FARGO CO MTN BE		.06/07/2016	CFG CAPITAL MARKETS LLC		1,031,280	1,000,000	11,213	1FE
884903-BV-6	THOMSON REUTERS CORP		.05/02/2016	GOLDMAN, SACHS & CO.		59,742	60,000	.0	2FE
47215P-AC-0	JD COM INC	R	.04/22/2016	M LYNCH, PIERCE, FENNER, & SMITH		363,703	370,000	.0	2FE
<b>8399999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						<b>93,002,606</b>	<b>86,669,716</b>	<b>730,321</b>	<b>XXX</b>
<b>8399997. Total - Bonds - Part 3</b>						<b>234,243,400</b>	<b>225,769,827</b>	<b>1,075,963</b>	<b>XXX</b>
<b>8399998. Total - Bonds - Part 5</b>						<b>XXX</b>	<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
<b>8399999. Total - Bonds</b>						<b>234,243,400</b>	<b>225,769,827</b>	<b>1,075,963</b>	<b>XXX</b>
<b>8999997. Total - Preferred Stocks - Part 3</b>						<b>0</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>
<b>8999998. Total - Preferred Stocks - Part 5</b>						<b>XXX</b>	<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
<b>8999999. Total - Preferred Stocks</b>						<b>0</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>
921943-88-2	VANGUARD DEVELOPED MKTS INDEX INST		.06/28/2016	VANGUARD GROUP	743,716.141	8,193,104	.0	.0	L
922908-88-4	VANGUARD EXTENDED MKT INDEX INSTL		.06/28/2016	VANGUARD GROUP	128,518.930	8,029,721	.0	.0	L
922031-74-5	VANGUARD FIXED INCOME SECS FD		.06/17/2016	VANGUARD GROUP	.415.740	4,502	.0	.0	L
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		.06/17/2016	VANGUARD GROUP	1,118.400	212,260	.0	.0	L
<b>9299999. Subtotal - Common Stocks - Mutual Funds</b>						<b>16,439,587</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>
<b>9799997. Total - Common Stocks - Part 3</b>						<b>16,439,587</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>
<b>9799998. Total - Common Stocks - Part 5</b>						<b>XXX</b>	<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
<b>9799999. Total - Common Stocks</b>						<b>16,439,587</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>
<b>9899999. Total - Preferred and Common Stocks</b>						<b>16,439,587</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>
<b>9999999 - Totals</b>						<b>250,682,987</b>	<b>XXX</b>	<b>1,075,963</b>	<b>XXX</b>

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

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
3133EE-E6-3	FEDERAL FARM CR BKS		04/29/2016	CALLED @ 100.0000000		7,000,000	7,000,000	6,999,300	.0	.0	.2	.0	.2	.0	6,999,302	.0	698	698	93,100	04/29/2024	1
36202F-M7-8	GNMA 11 POOL #004882 4.000%		06/20/2016	PRINCIPAL RECEIPT		8,881	8,881	9,655	9,634	.0	(753)	.0	(753)	.0	8,881	.0	.0	.0	150	12/20/2040	1
3622A2-TA-0	GNMA PASS-THRU C PLATINUM 30YR		06/20/2016	PRINCIPAL RECEIPT		2,199	2,199	2,332	.0	.0	(133)	.0	(133)	.0	2,199	.0	.0	.0	6	02/20/2046	1
3617A9-KW-6	GNMA PASS-THRU C SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		626	626	662	.0	.0	(36)	.0	(36)	.0	626	.0	.0	.0	4	10/20/2045	1
36183E-ZE-5	GNMA PASS-THRU C SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		2,723	2,723	2,901	.0	.0	(179)	.0	(179)	.0	2,723	.0	.0	.0	8	10/20/2044	1
36189M-BR-8	GNMA PASS-THRU C SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		741	741	784	.0	.0	(43)	.0	(43)	.0	741	.0	.0	.0	5	10/20/2045	1
3622A2-D7-4	GNMA PASS-THRU M PLATINUM 30YR		06/20/2016	PRINCIPAL RECEIPT		8,680	8,680	8,945	8,943	.0	(263)	.0	(263)	.0	8,680	.0	.0	.0	126	03/20/2043	1
36179M-2N-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		15,287	15,287	14,147	14,180	.0	1,106	.0	1,106	.0	15,287	.0	.0	.0	160	02/20/2043	1
36179M-CZ-1	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		8,863	8,863	9,357	.0	.0	(494)	.0	(494)	.0	8,863	.0	.0	.0	79	05/20/2042	1
36179M-E3-0	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		10,438	10,438	10,994	.0	.0	(556)	.0	(556)	.0	10,438	.0	.0	.0	92	06/20/2042	1
36179M-K6-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		11,849	11,849	12,465	12,439	.0	(590)	.0	(590)	.0	11,849	.0	.0	.0	150	08/20/2042	1
36179M-K7-4	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		5,862	5,862	6,064	.0	.0	(202)	.0	(202)	.0	5,862	.0	.0	.0	87	08/20/2042	1
36179M-NH-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		7,216	7,216	7,869	7,847	.0	(631)	.0	(631)	.0	7,216	.0	.0	.0	106	09/20/2042	1
36179M-S2-7	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		11,279	11,279	12,266	12,272	.0	(993)	.0	(993)	.0	11,279	.0	.0	.0	249	11/20/2042	1
36179M-VS-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		2,702	2,702	2,855	.0	.0	(153)	.0	(153)	.0	2,702	.0	.0	.0	24	12/20/2042	1
36179M-X2-1	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		21,261	21,261	19,843	19,876	.0	1,385	.0	1,385	.0	21,261	.0	.0	.0	228	01/20/2043	1
36179M-X4-7	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		23,463	23,463	24,761	.0	.0	(1,298)	.0	(1,298)	.0	23,463	.0	.0	.0	206	01/20/2043	1
36179M-DQ-8	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		29,583	29,583	29,778	29,772	.0	(189)	.0	(189)	.0	29,583	.0	.0	.0	373	05/20/2043	1
36179M-JA-7	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		15,931	15,931	16,783	16,786	.0	(855)	.0	(855)	.0	15,931	.0	.0	.0	243	07/20/2043	1
36179M-NA-2	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		20,341	20,341	21,388	21,388	.0	(1,073)	.0	(1,073)	.0	20,341	.0	.0	.0	239	09/20/2043	1
36179R-7H-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		4,304	4,304	4,472	.0	.0	(168)	.0	(168)	.0	4,304	.0	.0	.0	11	04/20/2046	1
36179R-JE-0	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	VARIOUS		1,208,309	1,147,138	1,196,354	1,199,149	.0	(3,946)	.0	(3,946)	.0	1,195,204	.0	13,105	13,105	21,460	07/20/2045	1
36179R-Q3-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		19,942	19,942	21,290	.0	.0	(1,348)	.0	(1,348)	.0	19,942	.0	.0	.0	278	10/20/2045	1
36179R-TA-7	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		15,724	15,724	16,788	.0	.0	(1,064)	.0	(1,064)	.0	15,724	.0	.0	.0	215	11/20/2045	1
36179R-XF-1	GNMA PASS-THRU M SINGLE FAMILY		05/20/2016	VARIOUS		494,064	465,094	499,831	.0	.0	(4,535)	.0	(4,535)	.0	495,295	.0	(1,232)	(1,232)	4,466	01/20/2046	1
36179R-ZS-1	GNMA PASS-THRU M SINGLE FAMILY		05/20/2016	VARIOUS		1,275,065	1,227,513	1,266,768	.0	.0	452	.0	452	.0	1,267,220	.0	7,845	7,845	8,359	02/20/2046	1
36202F-CP-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		5,811	5,811	6,385	6,396	.0	(585)	.0	(585)	.0	5,811	.0	.0	.0	123	11/20/2039	1
36202F-EH-5	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		18,913	18,913	20,621	20,655	.0	(1,742)	.0	(1,742)	.0	18,913	.0	.0	.0	357	02/20/2040	1
36202F-GE-0	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		3,398	3,398	3,733	3,740	.0	(342)	.0	(342)	.0	3,398	.0	.0	.0	72	05/20/2040	1
36202F-GY-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		5,575	5,575	6,125	6,137	.0	(562)	.0	(562)	.0	5,575	.0	.0	.0	118	06/20/2040	1
36202F-KM-7	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		3,191	3,191	3,402	3,400	.0	(209)	.0	(209)	.0	3,191	.0	.0	.0	54	09/20/2040	1
36202F-LQ-7	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		3,499	3,499	3,844	3,851	.0	(352)	.0	(352)	.0	3,499	.0	.0	.0	75	10/20/2040	1
36202F-MA-1	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		29,172	29,172	31,691	31,632	.0	(2,460)	.0	(2,460)	.0	29,172	.0	.0	.0	488	11/20/2040	1
36202F-TK-2	GNMA PASS-THRU M SINGLE FAMILY		06/20/2016	PRINCIPAL RECEIPT		8,425	8,425	8,985	8,981	.0	(557)	.0	(557)	.0	8,425	.0	.0	.0	144	05/20/2041	1
3622A2-QJ-4	GNMA PASS-THRU X PLATINUM 30YR		06/15/2016	PRINCIPAL RECEIPT		5,769	5,769	6,347	.0	.0	(579)	.0	(579)	.0	5,769	.0	.0	.0	22	09/15/2045	1
36241L-JE-4	GNMA PASS-THRU X PLATINUM 30YR		06/15/2016	PRINCIPAL RECEIPT		5,704	5,704	6,183	6,181	.0	(476)	.0	(476)	.0	5,704	.0	.0	.0	102	07/15/2040	1
36176X-KP-3	GNMA PASS-THRU X SINGLE FAMILY		06/15/2016	PRINCIPAL RECEIPT		27,275	27,275	28,780	28,724	.0	(1,449)	.0	(1,449)	.0	27,275	.0	.0	.0	379	04/15/2042	1
36181B-V5-6	GNMA PASS-THRU X SINGLE FAMILY		06/15/2016	PRINCIPAL RECEIPT		70	70	74	.0	.0	(4)	.0	(4)	.0	70	.0	.0	.0	0	10/15/2043	1
3620AA-TP-3	GNMA PASS-THRU X SINGLE FAMILY		06/15/2016	PRINCIPAL RECEIPT		17,811	17,811	19,319	19,335	.0	(1,524)	.0	(1,524)	.0	17,811	.0	.0	.0	302	09/15/2039	1
3620AM-ET-5	GNMA PASS-THRU X SINGLE FAMILY		06/15/2016	PRINCIPAL RECEIPT		18,162	18,162	19,706	19,721	.0	(1,559)	.0	(1,559)	.0	18,162	.0	.0	.0	314	06/15/2040	1
36297F-YY-2	GNMA PASS-THRU X SINGLE FAMILY		06/15/2016	PRINCIPAL RECEIPT		22,408	22,408	25,041	.0	.0	(2,633)	.0	(2,633)	.0	22,408	.0	.0	.0	154	10/15/2039	1
36225A-4V-9	GNMA POOL #780836		06/15/2016	PRINCIPAL RECEIPT		1,475	1,475	1,566	1,505	.0	(30)	.0	(30)	.0	1,475	.0	.0	.0	48	04/15/2020	1
38378K-ZD-4	GNMA REMIC TRUST 2013-101		06/16/2016	PRINCIPAL RECEIPT		42,611	42,611	42,308	42,319	.0	292	.0	292	.0	42,611	.0	.0	.0	415	12/16/2053	1
38378K-J6-7	GNMA REMIC TRUST 2013-126		06/16/2016	PRINCIPAL RECEIPT		9,136	9,136	9,438	9,409	.0	(273)	.0	(273)	.0	9,136	.0	.0	.0	85	10/16/2047	1
38378K-K4-0	GNMA REMIC TRUST 2013-126		05/09/2016	CORP. RE		8,260,139	8,450,000	7,858,127	7,875,535	.0	5,565	.0	5,565	.0	7,881,100	.0	379,039	379,039	92,586	04/16/2046	1
38378K-4S-5	GNMA REMIC TRUST 2013-141		06/16/2016	PRINCIPAL RECEIPT		9,386	9,386	9,801	9,782	.0	(396)	.0	(396)	.0	9,386	.0	.0	.0	97	02/16/2052	1
38378K-6D-6	GNMA REMIC TRUST 2013-154		06/16/2016	PRINCIPAL RECEIPT		37,534	37,534	37,804	37,794	.0	(261)	.0	(261)	.0	37,534	.0	.0	.0	249	02/16/2044	1
38378K-SZ-3	GNMA REMIC TRUST 2013-94		06/16/2016	PRINCIPAL RECEIPT		11,441	11,441	11,254	11,260	.0	181	.0	181	.0	11,441	.0	.0	.0	84	03/16/2054	1
38378X-GF-2	GNMA REMIC TRUST 2014-109		06/16/2016	PRINCIPAL RECEIPT		26,055	26,055	26,543	26,526	.0	(471)	.0	(471)	.0	26,055	.0	.0	.0	203	01/16/2046	1
38378X-PA-7	GNMA REMIC TRUST 2014-166		06/16/2016	PRINCIPAL RECEIPT		58,945	58,945	60,584	60,523	.0	(1,579)	.0	(1,579)	.0	58,945	.0	.0	.0	519	07/16/2051	1
38378N-CE-1	GNMA REMIC TRUST 2013-155		06/16/2016	PRINCIPAL RECEIPT		22,230	22,230	22,578	22,570	.0	(339)	.0	(339)	.0	22,230	.0	.0	.0	217	09/16/2053	1

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For-foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
83162C-JF-1	SMALL BUSINESS ADMIN GTD 98-20E		05/01/2016	PRINCIPAL RECEIPT		11,841	11,841	12,018	11,883	.0	(43)	.0	(43)	.0	11,841	.0	.0	.0	.0	.05/01/2018	1
83162C-JR-5	SMALL BUSINESS ADMIN GTD 98-20L		06/01/2016	PRINCIPAL RECEIPT		4,244	4,244	4,244	4,244	.0	.0	.0	.0	.0	4,244	.0	.0	.0	.0	12/01/2018	1
83162C-JX-2	SMALL BUSINESS ADMIN GTD 99-20D		04/01/2016	PRINCIPAL RECEIPT		2,416	2,416	2,416	2,416	.0	.0	.0	.0	.0	2,416	.0	.0	.0	.0	04/01/2019	1
912810-PX-0	UNITED STATES TREAS BDS		04/08/2016	BMOCM/BONDS		715,045	515,000	662,247	661,130	.0	(1,275)	.0	(1,275)	.0	659,855	.0	55,191	55,191	9,423	05/15/2038	1
912810-QT-8	UNITED STATES TREAS BDS		05/11/2016	JP MORGAN SECURITIES INC		606,445	540,000	556,320	142,365	.0	(148)	.0	(148)	.0	556,092	.0	50,353	50,353	10,022	11/15/2041	1
912810-QY-7	UNITED STATES TREAS BDS		06/01/2016	DEUTSCHE BANK SECURITIES INC		134,347	130,000	133,230	.0	.0	(2)	.0	(2)	.0	133,228	.0	1,119	1,119	175	11/15/2042	1
912810-QZ-4	UNITED STATES TREAS BDS		04/12/2016	GOLDMAN, SACHS & CO.		817,688	735,000	703,655	704,727	.0	192	.0	192	.0	704,919	.0	112,769	112,769	15,144	02/15/2043	1
912810-RM-2	UNITED STATES TREAS BDS		06/01/2016	CFG CAPITAL MARKETS LLC		2,157,500	2,000,000	2,241,094	.0	.0	(1,737)	.0	(1,737)	.0	2,239,357	.0	(81,857)	(81,857)	32,935	05/15/2045	1
912810-RQ-3	UNITED STATES TREAS BDS		04/28/2016	CFG CAPITAL MARKETS LLC		23,230,781	24,000,000	23,323,125	.0	.0	286	.0	286	.0	23,323,411	.0	(92,630)	(92,630)	112,088	02/15/2046	1
912810-RS-9	UNITED STATES TREAS BDS		05/23/2016	CFG CAPITAL MARKETS LLC		11,690,625	12,000,000	11,586,562	.0	.0	122	.0	122	.0	11,586,684	.0	103,941	103,941	8,152	05/15/2046	1
912810-RF-7	UNITED STATES TREAS BDS TIPS		05/25/2016	UBS WARBURG		744,267	660,000	640,900	655,417	(13,563)	207	.0	(13,356)	.0	642,060	.0	102,207	102,207	7,184	02/15/2044	1
912828-A5-9	UNITED STATES TREAS NTS		04/21/2016	CFG CAPITAL MARKETS LLC		3,002,578	3,000,000	2,988,984	2,996,387	.0	1,146	.0	1,146	.0	2,997,532	.0	5,046	5,046	6,609	12/15/2016	1
912828-H5-2	UNITED STATES TREAS NTS		06/01/2016	CFG CAPITAL MARKETS LLC		5,006,055	5,000,000	4,914,844	4,928,973	.0	7,036	.0	7,036	.0	4,936,009	.0	70,046	70,046	52,370	01/31/2020	1
912828-Q3-7	UNITED STATES TREAS NTS		05/06/2016	VARIOUS		449,932	450,000	447,346	.0	.0	12	.0	12	.0	447,358	.0	2,573	2,573	540	03/31/2021	1
912828-Q4-5	UNITED STATES TREAS NTS		06/01/2016	CFG CAPITAL MARKETS LLC		15,026,484	15,000,000	15,027,539	.0	.0	(474)	.0	(474)	.0	15,027,065	.0	(580)	(580)	4,566	03/31/2018	1
912828-R5-1	UNITED STATES TREAS NTS		06/28/2016	CFG CAPITAL MARKETS LLC		14,063,438	14,000,000	14,013,100	.0	.0	(454)	.0	(454)	.0	14,012,645	.0	50,792	50,792	9,372	05/31/2018	1
912828-VL-1	UNITED STATES TREAS NTS		04/21/2016	CFG CAPITAL MARKETS LLC		1,000,508	1,000,000	1,000,000	1,000,000	.0	.0	.0	.0	.0	1,000,000	.0	508	508	4,808	07/15/2016	1
912828-WL-0	UNITED STATES TREAS NTS		06/16/2016	SG COMEN SECURITIES CORP		499,594	490,000	496,929	.0	.0	(96)	.0	(96)	.0	496,833	.0	2,761	2,761	332	05/31/2019	1
911760-RP-3	US VA VENDEE MITG TR 2002-1		06/15/2016	PRINCIPAL RECEIPT		72,882	72,882	86,730	85,604	.0	(12,722)	.0	(12,722)	.0	72,882	.0	.0	.0	1,608	08/15/2031	1
0599999	Subtotal - Bonds - U.S. Governments					98,217,998	98,644,874	97,434,725	20,899,531	(13,563)	(36,867)	.0	(50,430)	.0	97,437,068	.0	780,929	780,929	504,494	XXX	XXX
683234-DP-0	ONTARIO PROV CDA	I	05/12/2016	NBCN CLEARING INC.		326,011	325,000	329,449	325,743	.0	(373)	.0	(373)	.0	325,370	.0	641	641	3,351	09/21/2016	1FE
500769-PP-4	KREDITANSTALT FLUR WIEDERAUFBAU	R	04/19/2016	MATURITY		259,000	259,000	258,169	258,920	.0	80	.0	80	.0	259,000	.0	.0	.0	648	04/19/2016	1FE
P3772N-HK-1	REPUBLIC OF COLOMBIA	R	06/07/2016	PERSHING LLC		190,234	200,000	180,600	183,954	.0	843	.0	843	.0	184,797	.0	5,437	5,437	3,865	03/15/2023	2FE
836205-AM-6	SOUTH AFRICA REP	R	05/23/2016	DEUTSCHE BANK AG		126,811	115,000	131,531	125,917	.0	(1,194)	.0	(1,194)	.0	124,723	.0	2,088	2,088	3,931	05/27/2019	2FE
1099999	Subtotal - Bonds - All Other Governments					902,056	899,000	899,749	894,534	.0	(644)	.0	(644)	.0	893,890	.0	8,166	8,166	11,795	XXX	XXX
3137EA-EA-3	FEDERAL HOME LN MTG CORP		06/03/2016	LINSCO/PRIVATE LEDGER CORP. RE		9,967,350	10,000,000	9,994,300	.0	.0	358	.0	358	.0	9,994,658	.0	(27,308)	(27,308)	12,292	04/09/2018	1
3130A7-CX-1	FEDERAL HOME LOAN BANKS		06/07/2016	LINSCO/PRIVATE LEDGER CORP. RE		4,498,524	4,500,000	4,508,262	.0	.0	(570)	.0	(570)	.0	4,507,692	.0	(9,168)	(9,168)	8,641	03/19/2018	1
313378-A4-3	FEDERAL HOME LOAN BANKS		06/01/2016	LINSCO/PRIVATE LEDGER CORP. RE		10,061,150	10,000,000	10,114,000	.0	.0	(7,916)	.0	(7,916)	.0	10,106,084	.0	(44,934)	(44,934)	31,701	03/09/2018	1
3128LX-S7-6	FHLMC GOLD #G02342		06/15/2016	PRINCIPAL RECEIPT		21,862	21,862	23,772	23,710	.0	(1,848)	.0	(1,848)	.0	21,862	.0	.0	.0	424	10/01/2036	1
3128M5-K5-8	FHLMC GOLD #G03616		06/15/2016	PRINCIPAL RECEIPT		10,876	10,876	12,066	12,038	.0	(1,162)	.0	(1,162)	.0	10,876	.0	.0	.0	258	12/01/2037	1
3128MT-GK-9	FHLMC PC GOLD 10/20 II		06/15/2016	PRINCIPAL RECEIPT		10,001	10,001	11,136	11,107	.0	(1,106)	.0	(1,106)	.0	10,001	.0	.0	.0	218	09/01/2037	1
3128UN-CE-0	FHLMC PC GOLD 10/20 II		06/15/2016	PRINCIPAL RECEIPT		3,299	3,299	3,347	3,345	.0	(46)	.0	(46)	.0	3,299	.0	.0	.0	72	09/01/2037	1
31288B-BV-0	FHLMC PC GOLD CASH 30		06/15/2016	PRINCIPAL RECEIPT		5,372	5,372	5,448	5,440	.0	(67)	.0	(67)	.0	5,372	.0	.0	.0	125	11/01/2032	1
31292S-AG-5	FHLMC PC GOLD CASH 30		06/15/2016	PRINCIPAL RECEIPT		6,775	6,775	7,223	7,223	.0	(447)	.0	(447)	.0	6,775	.0	.0	.0	93	08/01/2042	1
3132L5-A2-9	FHLMC PC GOLD C1 30YR		06/15/2016	PRINCIPAL RECEIPT		3,695	3,695	3,838	3,832	.0	(138)	.0	(138)	.0	3,695	.0	.0	.0	44	04/01/2043	1
3128MC-4J-1	FHLMC PC GOLD COMB 15		06/15/2016	PRINCIPAL RECEIPT		18,255	18,255	19,426	19,269	.0	(1,014)	.0	(1,014)	.0	18,255	.0	.0	.0	285	08/01/2024	1
3128MC-GV-1	FHLMC PC GOLD COMB 15		06/15/2016	PRINCIPAL RECEIPT		6,485	6,485	7,057	6,944	.0	(460)	.0	(460)	.0	6,485	.0	.0	.0	138	02/01/2024	1
3128MC-QG-3	FHLMC PC GOLD COMB 15		06/15/2016	PRINCIPAL RECEIPT		11,821	11,821	12,697	12,554	.0	(733)	.0	(733)	.0	11,821	.0	.0	.0	215	06/01/2025	1
3128MD-4E-0	FHLMC PC GOLD COMB 15		06/15/2016	PRINCIPAL RECEIPT		11,451	11,451	11,617	11,604	.0	(153)	.0	(153)	.0	11,451	.0	.0	.0	115	07/01/2029	1
3128MD-M3-4	FHLMC PC GOLD COMB 15		06/15/2016	PRINCIPAL RECEIPT		27,843	27,843	29,505	29,268	.0	(1,426)	.0	(1,426)	.0	27,843	.0	.0	.0	431	12/01/2026	1
3128MD-MX-8	FHLMC PC GOLD COMB 15		06/15/2016	PRINCIPAL RECEIPT		80,279	80,279	85,873	84,308	.0	(4,029)	.0	(4,029)	.0	80,279	.0	.0	.0	1,744	12/01/2024	1
3128ME-TA-9	FHLMC PC GOLD COMB 15		04/15/2016	VARIOUS		15,002,680	14,242,927	15,024,062	.0	.0	(12,991)	.0	(12,991)	.0	15,011,071	.0	(8,391)	(8,391)	64,503	08/01/2028	1
3128MM-AG-8	FHLMC PC GOLD COMB 15		06/15/2016	PRINCIPAL RECEIPT		17,104	17,104	18,395	17,747	.0	(643)	.0	(643)	.0	17,104	.0	.0	.0	367	08/01/2019	1

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STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
3128MM-QT-3	FHLMC PC GOLD COMB 15		06/15/2016	PRINCIPAL RECEIPT		5,426	5,426	5,548	5,543	.0	(117)	.0	(117)	.0	5,426	.0	.0	.0	53	05/01/2028	1
31283H-6C-4	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		27,776	27,776	28,309	28,254	.0	(478)	.0	(478)	.0	27,776	.0	.0	.0	688	12/01/2032	1
31283H-6D-2	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		15,617	15,617	15,965	15,918	.0	(301)	.0	(301)	.0	15,617	.0	.0	.0	406	12/01/2031	1
3128M5-QY-9	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		14,797	14,797	16,375	16,381	.0	(1,584)	.0	(1,584)	.0	14,797	.0	.0	.0	332	01/01/2037	1
3128M6-EC-8	FHLMC PC GOLD COMB 30		04/15/2016	VARIOUS		692,774	692,774	677,332	676,113	.0	(1,165)	.0	(1,165)	.0	674,948	.0	17,826	17,826	11,495	02/01/2038	1
3128M8-6L-3	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		41,827	41,827	46,010	45,885	.0	(4,059)	.0	(4,059)	.0	41,827	.0	.0	.0	910	12/01/2038	1
3128M8-CW-2	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		2,519	2,519	2,834	2,830	.0	(311)	.0	(311)	.0	2,519	.0	.0	.0	70	09/01/2038	1
3128M8-H5-6	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		1,743	1,743	1,813	1,811	.0	(68)	.0	(68)	.0	1,743	.0	.0	.0	29	02/01/2041	1
3128M8-H6-2	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		1,914	1,914	2,016	2,013	.0	(100)	.0	(100)	.0	1,914	.0	.0	.0	30	12/01/2040	1
3128M8-R3-0	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		3,470	3,470	3,735	3,726	.0	(256)	.0	(256)	.0	3,470	.0	.0	.0	55	12/01/2040	1
3128M8-Z7-2	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		18,539	18,539	20,218	20,206	.0	(1,666)	.0	(1,666)	.0	18,539	.0	.0	.0	363	09/01/2041	1
3128M9-PP-2	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		68,679	68,679	75,976	75,866	.0	(7,187)	.0	(7,187)	.0	68,679	.0	.0	.0	1,436	01/01/2040	1
3128MJ-Q4-5	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		13,140	13,140	13,895	13,878	.0	(738)	.0	(738)	.0	13,140	.0	.0	.0	195	01/01/2042	1
3128MJ-Q9-4	FHLMC PC GOLD COMB 30		05/31/2016	Write Off		.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	03/01/2042	1
3128MJ-SY-7	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		9,279	9,279	8,982	8,990	.0	289	.0	289	.0	9,279	.0	.0	.0	109	06/01/2043	1
312931-C3-0	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		103,240	103,240	112,983	112,859	.0	(9,618)	.0	(9,618)	.0	103,240	.0	.0	.0	2,421	02/01/2039	1
312936-NA-1	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		28,320	28,320	30,218	30,193	.0	(1,873)	.0	(1,873)	.0	28,320	.0	.0	.0	488	10/01/2039	1
312941-SV-0	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		2,679	2,679	2,862	2,855	.0	(177)	.0	(177)	.0	2,679	.0	.0	.0	41	08/01/2040	1
312943-D0-3	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		22,792	22,792	24,665	24,632	.0	(1,840)	.0	(1,840)	.0	22,792	.0	.0	.0	404	10/01/2040	1
312943-LJ-0	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		6,353	6,353	6,787	6,772	.0	(420)	.0	(420)	.0	6,353	.0	.0	.0	99	11/01/2040	1
312944-FE-6	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		4,713	4,713	4,987	4,981	.0	(268)	.0	(268)	.0	4,713	.0	.0	.0	70	12/01/2040	1
312945-DS-4	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		1,069	1,069	1,125	1,124	.0	(56)	.0	(56)	.0	1,069	.0	.0	.0	17	01/01/2041	1
312945-XY-9	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		7,762	7,762	8,192	8,182	.0	(421)	.0	(421)	.0	7,762	.0	.0	.0	118	02/01/2041	1
31335A-BF-4	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		32,444	32,444	33,899	33,893	.0	(1,449)	.0	(1,449)	.0	32,444	.0	.0	.0	448	01/01/2044	1
31335A-PZ-5	FHLMC PC GOLD COMB 30		06/15/2016	PRINCIPAL RECEIPT		4,155	4,155	4,394	.0	.0	(239)	.0	(239)	.0	4,155	.0	.0	.0	12	03/01/2046	1
31329K-2F-2	FHLMC PC GOLD PC 30YR		06/15/2016	PRINCIPAL RECEIPT		4,629	4,629	4,951	4,942	.0	(313)	.0	(313)	.0	4,629	.0	.0	.0	80	12/01/2041	1
3132M-K9-1	FHLMC PC GOLD PC 30YR		06/15/2016	PRINCIPAL RECEIPT		28,628	28,628	30,488	30,425	.0	(1,797)	.0	(1,797)	.0	28,628	.0	.0	.0	406	09/01/2042	1
3132H-4K-5	FHLMC PC GOLD PC 30YR		06/15/2016	PRINCIPAL RECEIPT		14,983	14,983	15,682	15,662	.0	(679)	.0	(679)	.0	14,983	.0	.0	.0	171	01/01/2043	1
31290K-VZ-9	FHLMC PC GUAR 30 YEAR		06/15/2016	PRINCIPAL RECEIPT		370	370	377	370	.0	.0	.0	.0	.0	370	.0	.0	.0	12	07/01/2020	1
31326H-CQ-5	FHLMC PC HYBRID ARM		06/15/2016	PRINCIPAL RECEIPT		26,281	26,281	27,151	27,129	.0	(848)	.0	(848)	.0	26,281	.0	.0	.0	264	06/01/2044	1
31397C-K5-7	FHLMC REMIC SERIES 3243		06/15/2016	PRINCIPAL RECEIPT		1,437	1,437	1,539	1,523	.0	(87)	.0	(87)	.0	1,437	.0	.0	.0	24	11/15/2038	1
31376E-GQ-8	FHLMC REMIC SERIES 4283		06/15/2016	PRINCIPAL RECEIPT		65,929	65,929	73,305	71,349	.0	(5,420)	.0	(5,420)	.0	65,929	.0	.0	.0	998	12/15/2043	1
313789-ST-3	FHLMC REMIC SERIES 4327		06/15/2016	PRINCIPAL RECEIPT		365,444	365,444	388,398	.0	.0	(22,954)	.0	(22,954)	.0	365,444	.0	.0	.0	4,057	02/15/2040	1
31378D-K7-6	FHLMC REMIC SERIES 4390		06/15/2016	PRINCIPAL RECEIPT		255,416	255,416	266,670	266,546	.0	(11,129)	.0	(11,129)	.0	255,416	.0	.0	.0	3,081	06/15/2050	1
3137AY-CD-1	FHLMC REMIC SERIES K-025		06/25/2016	PRINCIPAL RECEIPT		3,089	3,089	3,151	3,131	.0	(41)	.0	(41)	.0	3,089	.0	.0	.0	19	04/25/2022	1
313780-3H-2	FHLMC REMIC SERIES K-502		06/25/2016	PRINCIPAL RECEIPT		3,288	3,288	3,354	3,306	.0	(19)	.0	(19)	.0	3,288	.0	.0	.0	22	08/25/2017	1
31392M-EM-0	FHLMC REMIC SERIES T0041		06/25/2016	PRINCIPAL RECEIPT		7,950	7,950	8,258	7,942	.0	9	.0	9	.0	7,950	.0	.0	.0	147	07/25/2032	1
31359S-R6-9	FNMA GRANTOR TRUST 2001-T4		06/25/2016	PRINCIPAL RECEIPT		8,243	8,243	8,503	8,269	.0	(26)	.0	(26)	.0	8,243	.0	.0	.0	207	07/25/2028	1
31392F-DC-8	FNMA GRANTOR TRUST 2002-T16		06/25/2016	PRINCIPAL RECEIPT		13,425	13,425	13,760	13,660	.0	(235)	.0	(235)	.0	13,425	.0	.0	.0	327	07/25/2042	1
3138YD-VH-9	FNMA PASS-THRU ADJ LIBOR		06/25/2016	PRINCIPAL RECEIPT		45,023	45,023	46,087	46,082	.0	(1,059)	.0	(1,059)	.0	45,023	.0	.0	.0	448	04/01/2045	1
31381D-YY-5	FNMA PASS-THRU GNM-BK MGA 30		06/25/2016	PRINCIPAL RECEIPT		593	593	601	596	.0	(4)	.0	(4)	.0	593	.0	.0	.0	17	05/20/2023	1
31405F-D5-8	FNMA PASS-THRU GOV SINGLE FAM		06/25/2016	PRINCIPAL RECEIPT		622	622	656	652	.0	(30)	.0	(30)	.0	622	.0	.0	.0	16	10/01/2032	1
3138A7-66-9	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		5,245	5,245	5,494	5,451	.0	(206)	.0	(206)	.0	5,245	.0	.0	.0	81	02/01/2026	1
3138AF-KH-2	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		3,703	3,703	3,957	3,923	.0	(221)	.0	(221)	.0	3,703	.0	.0	.0	55	05/01/2026	1
3138EG-RS-5	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		1,686	1,686	1,804	1,788	.0	(103)	.0	(103)	.0	1,686	.0	.0	.0	29	08/01/2024	1
3138EJ-E3-8	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		1,812	1,812	1,942	1,929	.0	(117)	.0	(117)	.0	1,812	.0	.0	.0	32	01/01/2027	1
3138EJ-KA-5	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		11,604	11,604	12,399	12,307	.0	(704)	.0	(704)	.0	11,604	.0	.0	.0	181	09/01/2026	1
3138EJ-WY-0	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		21,816	21,816	21,881	21,909	.0	(93)	.0	(93)	.0	21,816	.0	.0	.0	212	10/01/2027	1
3138EP-QL-1	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		163,666	163,666	176,094	175,512	.0	(11,846)	.0	(11,846)	.0	163,666	.0	.0	.0	2,579	02/01/2029	1
3138LY-2K-2	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		15,059	15,059	15,888	15,787	.0	(727)	.0	(727)	.0	15,059	.0	.0	.0	177	06/01/2027	1
3138MD-2T-8	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		20,469	20,469	21,386	21,270	.0	(801)	.0	(801)	.0	20,469	.0	.0	.0	200	10/01/2027	1
3138WG-2M-5	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECE																	

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31410L-EC-2	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		12,094	12,094	13,119	12,814	.0	(720)	.0	(720)	.0	12,094	.0	.0	.0	236	07/01/2024	1
31411A-JN-6	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		26,609	26,609	27,034	26,849	.0	(239)	.0	(239)	.0	26,609	.0	.0	.0	603	11/01/2024	1
31412Q-EQ-8	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		3,401	3,401	3,658	3,401	.0	(228)	.0	(228)	.0	3,401	.0	.0	.0	60	08/01/2024	1
31416B-QD-3	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		33,394	33,394	36,280	34,761	.0	(1,367)	.0	(1,367)	.0	33,394	.0	.0	.0	709	01/01/2021	1
31416Y-U3-0	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		15,580	15,580	16,710	15,580	.0	(984)	.0	(984)	.0	15,580	.0	.0	.0	240	07/01/2026	1
31417C-7C-3	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		29,454	29,454	31,152	30,935	.0	(1,482)	.0	(1,482)	.0	29,454	.0	.0	.0	347	09/01/2027	1
31417D-CC-5	FNMA PASS-THRU INT 15 YEAR		06/25/2016	PRINCIPAL RECEIPT		10,274	10,274	10,757	10,700	.0	(426)	.0	(426)	.0	10,274	.0	.0	.0	101	10/01/2027	1
3138ET-E8-5	FNMA PASS-THRU INT 20 YEAR		06/25/2016	PRINCIPAL RECEIPT		171,941	171,941	186,180	.0	.0	(14,239)	.0	(14,239)	.0	171,941	.0	.0	.0	.0	06/01/2035	1
31416Y-C9-7	FNMA PASS-THRU INT 20 YEAR		05/06/2016	Write Off		.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	04/01/2031	1
31368H-LZ-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		47,007	47,007	49,651	49,510	.0	(2,503)	.0	(2,503)	.0	47,007	.0	.0	.0	1,108	12/01/2033	1
31371N-H4-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		9,374	9,374	9,823	9,806	.0	(431)	.0	(431)	.0	9,374	.0	.0	.0	230	08/01/2037	1
3138A2-BX-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		13,055	13,055	14,042	14,030	.0	(975)	.0	(975)	.0	13,055	.0	.0	.0	229	12/01/2040	1
3138AF-W6-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		68,326	68,326	73,750	73,700	.0	(5,373)	.0	(5,373)	.0	68,326	.0	.0	.0	1,164	05/01/2041	1
3138E2-LR-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		14,613	14,613	15,496	15,527	.0	(915)	.0	(915)	.0	14,613	.0	.0	.0	229	01/01/2042	1
3138EH-BD-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		12,741	12,741	13,495	13,480	.0	(739)	.0	(739)	.0	12,741	.0	.0	.0	199	05/01/2041	1
3138EH-JW-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		9,778	9,778	11,037	11,034	.0	(1,255)	.0	(1,255)	.0	9,778	.0	.0	.0	244	10/01/2039	1
3138EH-XF-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		6,843	6,843	7,547	7,557	.0	(713)	.0	(713)	.0	6,843	.0	.0	.0	135	01/01/2040	1
3138EK-ZD-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		23,418	23,418	24,907	24,979	.0	(1,562)	.0	(1,562)	.0	23,418	.0	.0	.0	372	12/01/2042	1
3138EK-F5-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		4,745	4,745	5,120	5,111	.0	(366)	.0	(366)	.0	4,745	.0	.0	.0	84	12/01/2041	1
3138EL-X7-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		5,220	5,220	5,604	5,612	.0	(392)	.0	(392)	.0	5,220	.0	.0	.0	91	04/01/2042	1
3138EV-BJ-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		20,145	20,145	21,911	21,888	.0	(1,742)	.0	(1,742)	.0	20,145	.0	.0	.0	344	02/01/2041	1
3138EP-V3-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		43,070	43,070	47,061	.0	.0	(3,991)	.0	(3,991)	.0	43,070	.0	.0	.0	144	05/01/2043	1
3138MA-KX-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		3,932	3,932	4,011	4,020	.0	(88)	.0	(88)	.0	3,932	.0	.0	.0	56	09/01/2042	1
3138MQ-TK-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	VARIOUS		7,181	7,226	6,705	6,722	.0	18	.0	18	.0	6,740	.0	441	441	.0	12/01/2043	1
3138MR-K6-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	VARIOUS		52,349	52,671	48,877	48,999	.0	136	.0	136	.0	49,135	.0	3,214	3,214	699	01/01/2043	1
3138MR-LL-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		28,360	28,360	29,955	29,916	.0	(1,556)	.0	(1,556)	.0	28,360	.0	.0	.0	377	01/01/2043	1
3138NY-4L-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		1,843	1,843	1,710	1,715	.0	129	.0	129	.0	1,843	.0	.0	.0	18	02/01/2043	1
3138WA-HC-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		232,519	232,519	253,991	.0	.0	(21,472)	.0	(21,472)	.0	232,519	.0	.0	.0	3,104	11/01/2043	1
3138WD-H9-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		796	796	827	829	.0	(33)	.0	(33)	.0	796	.0	.0	.0	11	11/01/2044	1
3138WD-KX-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		198,460	198,460	214,027	.0	.0	(15,567)	.0	(15,567)	.0	198,460	.0	.0	.0	662	11/01/2044	1
3138WE-KJ-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		5,142	5,142	5,387	5,401	.0	(259)	.0	(259)	.0	5,142	.0	.0	.0	70	04/01/2045	1
3138WF-3A-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		2,783	2,783	2,912	2,920	.0	(137)	.0	(137)	.0	2,783	.0	.0	.0	38	11/01/2045	1
3138WF-5X-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		11,102	11,102	11,634	.0	.0	(533)	.0	(533)	.0	11,102	.0	.0	.0	57	11/01/2045	1
3138WF-PR-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		17,090	17,090	18,293	18,296	.0	(1,206)	.0	(1,206)	.0	17,090	.0	.0	.0	267	09/01/2045	1
3138WG-A6-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		25,831	25,831	27,121	.0	.0	(1,290)	.0	(1,290)	.0	25,831	.0	.0	.0	75	12/01/2045	1
3138WG-C9-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		5,529	5,529	5,716	5,716	.0	(187)	.0	(187)	.0	5,529	.0	.0	.0	77	12/01/2045	1
3138WG-E3-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		10,234	10,234	10,335	.0	.0	(101)	.0	(101)	.0	10,234	.0	.0	.0	70	01/01/2046	1
3138WG-FP-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		6,602	6,602	6,741	.0	.0	(139)	.0	(139)	.0	6,602	.0	.0	.0	54	01/01/2046	1
3138WG-PM-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		9,354	9,354	9,786	.0	.0	(432)	.0	(432)	.0	9,354	.0	.0	.0	44	02/01/2046	1
3138WQ-AT-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		771	771	715	717	.0	54	.0	54	.0	771	.0	.0	.0	8	05/01/2043	1
3138XQ-Y3-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		77,662	77,662	79,422	.0	.0	(1,760)	.0	(1,760)	.0	77,662	.0	.0	.0	510	07/01/2043	1
3138YT-6D-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		24,849	24,849	25,975	26,039	.0	(1,190)	.0	(1,190)	.0	24,849	.0	.0	.0	327	10/01/2045	1
31402C-Y3-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		35,250	35,250	37,723	37,584	.0	(2,334)	.0	(2,334)	.0	35,250	.0	.0	.0	821	03/01/2034	1
31402R-AQ-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		10,092	10,092	10,364	10,333	.0	(241)	.0	(241)	.0	10,092	.0	.0	.0	237	12/01/2032	1
31402R-AS-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		13,237	13,237	13,614	13,581	.0	(345)	.0	(345)	.0	13,237	.0	.0	.0	317	03/01/2035	1
31402R-H2-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		3,195	3,195	3,224	3,221	.0	(26)	.0	(26)	.0	3,195	.0	.0	.0	73	12/01/2032	1
31402R-JV-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		30,169	30,169	32,898	32,828	.0	(2,659)	.0	(2,659)	.0	30,169	.0	.0	.0	584	07/01/2035	1
31402R-LZ-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		2,289	2,289	2,549	2,543	.0	(254)	.0	(254)	.0	2,289	.0	.0	.0	54	08/01/2035	1
31410G-AQ-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		7,460	7,460	8,292	8,276	.0	(816)	.0	(816)	.0	7,460	.0	.0	.0	144	12/01/2036	1
31410K-DN-1	FNMA PASS-THRU LNG 30 YEAR		04/25/2016	VARIOUS		874,215	768,337	842,890	842,785	.0	(1,652)	.0	(1,652)	.0	841,133	.0	33,082	33,082	16,879	05/01/2038	1
31410K-T8-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		21,791	21,791	24,038	24,079	.0	(2,288)	.0	(2,288)	.0	21,791	.0	.0	.0	502	05/01/2037	1
31410K-US-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		23,360	23,360	25,711	25,711	.0	(2,352)	.0	(2,352)	.0	23,360	.0	.0	.0	499	08/01/2037	1
31410K-XM-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		33,741	33,741	37,528	37,462	.0	(3,722)	.0	(3,722)	.0	33,741	.0	.0	.0	787	10/01/2038	1
31410L-DU-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		3,094	3,094	3,322	3,318	.0	(224)	.0	(224)	.0	3,094	.0	.0	.0	56	02/01/2041	1
31411B-GT-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		21,216	21,216	23,258	23,280	.0	(2,064)	.0	(2,064)	.0	21,216	.0	.0	.0	440	12/01/2036	1
31412R-FJ-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		8,720	8,720	9,445	9,434	.0	(713)	.0	(713)	.0	8,720	.0	.0	.0	159	03/01/2040	1
31416C-JV-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		22,611	22,611	25,127	25,088	.0	(2,477)	.0	(2,477)	.0	22,611	.0	.0	.0	527	11/01/2038	1
31416II-H3-9																					

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31416X-J7-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		62,888	62,888	66,617	66,534	0	(3,646)	0	(3,646)	0	62,888	0	0	0	956	01/01/2041	1
31417D-2G-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		3,164	3,164	3,322	3,315	0	(152)	0	(152)	0	3,164	0	0	0	37	11/01/2042	1
31417D-3H-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		11,663	11,663	11,664	11,663	0	(582)	0	(582)	0	11,081	0	0	0	128	11/01/2042	1
31417D-LP-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		35,184	35,184	37,005	36,947	0	(1,763)	0	(1,763)	0	35,184	0	0	0	499	10/01/2042	1
31417D-MU-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		2,109	2,109	2,220	2,215	0	(106)	0	(106)	0	2,109	0	0	0	25	10/01/2042	1
31417D-MV-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		4,752	4,752	5,006	4,995	0	(243)	0	(243)	0	4,752	0	0	0	56	10/01/2042	1
31417D-QW-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		4,050	4,050	4,261	4,252	0	(202)	0	(202)	0	4,050	0	0	0	48	10/01/2042	1
31417E-CX-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		8,323	8,323	8,604	8,611	0	(288)	0	(288)	0	8,323	0	0	0	96	12/01/2042	1
31417F-3Q-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		97,675	97,675	99,888	0	0	(2,213)	0	(2,213)	0	97,675	0	0	0	692	04/01/2043	1
31417G-6A-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		8,601	8,601	8,838	8,833	0	(231)	0	(231)	0	8,601	0	0	0	121	07/01/2043	1
31417Y-W4-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		10,990	10,990	11,835	11,823	0	(833)	0	(833)	0	10,990	0	0	0	194	03/01/2041	1
31418A-DH-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		4,474	4,474	4,563	4,574	0	(100)	0	(100)	0	4,474	0	0	0	61	03/01/2042	1
31418B-U7-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		44,455	44,455	47,487	47,489	0	(3,034)	0	(3,034)	0	44,455	0	0	0	656	09/01/2045	1
31418B-VH-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		32,452	32,452	34,662	34,664	0	(2,213)	0	(2,213)	0	32,452	0	0	0	488	10/01/2045	1
31418B-YJ-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		3,881	3,881	4,150	0	0	(269)	0	(269)	0	3,881	0	0	0	24	01/01/2046	1
31418B-ZZ-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		5,582	5,582	5,684	0	0	(102)	0	(102)	0	5,582	0	0	0	22	03/01/2042	1
31418M-2T-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		3,231	3,231	3,578	3,569	0	(337)	0	(337)	0	3,231	0	0	0	76	10/01/2039	1
31418M-SR-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		7,341	7,341	8,166	8,179	0	(838)	0	(838)	0	7,341	0	0	0	157	06/01/2039	1
31418T-JF-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		60,287	60,287	66,919	66,886	0	(6,599)	0	(6,599)	0	60,287	0	0	0	1,250	05/01/2040	1
31418U-4W-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		7,949	7,949	8,735	8,724	0	(775)	0	(775)	0	7,949	0	0	0	144	07/01/2040	1
31419A-AJ-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		8,769	8,769	9,621	9,605	0	(836)	0	(836)	0	8,769	0	0	0	186	12/01/2039	1
31419A-P5-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		7,244	7,244	8,188	8,180	0	(936)	0	(936)	0	7,244	0	0	0	175	10/01/2039	1
31419A-VS-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		522	522	550	551	0	(29)	0	(29)	0	522	0	0	0	8	11/01/2040	1
31419F-FV-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		10,526	10,526	11,277	11,277	0	(751)	0	(751)	0	10,526	0	0	0	188	11/01/2040	1
31419J-SV-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2016	PRINCIPAL RECEIPT		2,757	2,757	2,926	2,924	0	(166)	0	(166)	0	2,757	0	0	0	49	11/01/2040	1
31418M-ZZ-4	FNMA PASS-THRU MEGA MULTI 7		06/25/2016	PRINCIPAL RECEIPT		25,660	25,660	28,803	28,326	0	(2,667)	0	(2,667)	0	25,660	0	0	0	476	02/01/2020	1
3138EN-Z9-3	FNMA PASS-THRU SF30 LTV125+		06/25/2016	PRINCIPAL RECEIPT		3,838	3,838	3,984	3,994	0	(156)	0	(156)	0	3,838	0	0	0	52	01/01/2044	1
3138LU-TV-7	FNMA PASS-THRU SF30 LTV125+		06/25/2016	PRINCIPAL RECEIPT		1,292	1,292	1,341	1,344	0	(52)	0	(52)	0	1,292	0	0	0	18	06/01/2042	1
3138LX-QH-5	FNMA PASS-THRU SF30 LTV125+		06/25/2016	PRINCIPAL RECEIPT		1,900	1,900	1,971	1,976	0	(76)	0	(76)	0	1,900	0	0	0	26	06/01/2042	1
3138M-ZN-5	FNMA PASS-THRU SF30 LTV125+		06/25/2016	PRINCIPAL RECEIPT		3,036	3,036	3,150	3,157	0	(121)	0	(121)	0	3,036	0	0	0	42	07/01/2042	1
3138M-Q-X9-9	FNMA PASS-THRU SF30 LTV125+		06/25/2016	PRINCIPAL RECEIPT		3,858	3,858	4,006	4,015	0	(157)	0	(157)	0	3,858	0	0	0	50	01/01/2043	1
31417C-GZ-2	FNMA PASS-THRU SF30 LTV125+		06/25/2016	PRINCIPAL RECEIPT		1,493	1,493	1,550	1,553	0	(60)	0	(60)	0	1,493	0	0	0	21	07/01/2042	1
31417C-NZ-4	FNMA PASS-THRU SF30 LTV125+		06/25/2016	PRINCIPAL RECEIPT		4,321	4,321	4,484	4,495	0	(174)	0	(174)	0	4,321	0	0	0	59	08/01/2042	1
31418A-M9-6	FNMA PASS-THRU SF30 LTV125+		06/25/2016	PRINCIPAL RECEIPT		8,220	8,220	8,533	8,554	0	(334)	0	(334)	0	8,220	0	0	0	111	12/01/2042	1
31410K-LK-8	FNMA POOL #889886 7.000%		06/25/2016	PRINCIPAL RECEIPT		7,851	7,851	8,219	8,205	0	(354)	0	(354)	0	7,851	0	0	0	192	12/01/2037	1
3139ZE-S8-4	FNMA REMIC TRUST 2002-W10		06/25/2016	PRINCIPAL RECEIPT		9,781	9,781	9,769	9,768	0	13	0	13	0	9,781	0	0	0	180	08/25/2042	1
3139ZD-H7-0	FNMA REMIC TRUST 2002-W6		06/25/2016	PRINCIPAL RECEIPT		9,702	9,702	10,642	9,860	0	(158)	0	(158)	0	9,702	0	0	0	213	06/25/2042	1
3139ZD-P9-7	FNMA REMIC TRUST 2002-W8		06/25/2016	PRINCIPAL RECEIPT		5,757	5,757	6,039	5,790	0	(34)	0	(34)	0	5,757	0	0	0	137	06/25/2042	1
31394A-LP-9	FNMA REMIC TRUST 2004-W8		06/25/2016	PRINCIPAL RECEIPT		71,649	71,649	74,425	74,399	0	(2,750)	0	(2,750)	0	71,649	0	0	0	642	06/25/2044	1
31394A-CS-3	FNMA REMIC TRUST 2004-W9		06/25/2016	PRINCIPAL RECEIPT		27,316	27,316	29,023	29,040	0	(1,724)	0	(1,724)	0	27,316	0	0	0	325	12/25/2043	1
31398G-4P-1	FNMA REMIC TRUST 2010-2		06/25/2016	PRINCIPAL RECEIPT		72,351	72,351	76,262	75,860	0	(3,509)	0	(3,509)	0	72,351	0	0	0	1,034	12/25/2049	1
3136A3-7D-7	FNMA REMIC TRUST 2012-39		06/25/2016	PRINCIPAL RECEIPT		34,043	34,043	36,085	35,589	0	(1,547)	0	(1,547)	0	34,043	0	0	0	380	03/25/2042	1
3136AM-D7-1	FNMA REMIC TRUST 2015-12		06/25/2016	PRINCIPAL RECEIPT		99,116	99,116	100,302	0	0	(1,186)	0	(1,186)	0	99,116	0	0	0	0	07/25/2044	1
88276P-CH-7	TEXAS ST PUB FIN AUTH CHARTER REV		06/07/2016	RAYMOND JAMES & ASSOCIATES, INC		1,251,340	1,000,000	1,219,400	0	0	(1,169)	0	(1,169)	0	1,218,231	0	33,109	33,109	25,955	02/15/2027	2FE
3199999	Subtotal - Bonds - U.S. Special Revenues					57,475,016	55,815,253	57,772,057	4,546,303	0	(286,010)	0	(286,010)	0	57,470,832	0	4,184	4,184	269,344	XXX	XXX
88579Y-AH-4	3M CO		06/22/2016	CFG CAPITAL MARKETS LLC		1,080,770	1,000,000	955,200	956,404	0	388	0	388	0	956,792	0	123,978	123,978	20,667	06/15/2044	1FE
023135-AM-8	AMAZON COM INC		06/07/2016	MERRILL LYNCH PROFESSIONL CLEAR		2,138,020	2,000,000	2,147,420	0	0	(3,988)	0	(3,988)	0	2,143,432	0	(5,412)	(5,412)	33,917	12/05/2021	1FE
031162-BY-5	AMGEN INC		04/07/2016	LINSCO/PRIVATE LEDGER CORP. RE		1,019,500	1,000,000	951,840	954,105	0	1,106	0	1,106	0	955,212	0	64,288	64,288	13,976	05/01/2025	2FE
037833-AR-1	APPLE INC		05/17/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,820,888	2,702,000	2,838,181	0	0	(2,782)	0	(2,782)	0	2,835,399	0	(14,511)	(14,511)	41,498	05/06/2021	1FE
037833-BY-5	APPLE INC		06/07/2016	LINSCO/PRIVATE LEDGER CORP. RE		2,087,440	2,000,000	2,091,400	0	0	(469)	0	(469)	0	2,090,931	0	(3,491)	(3,491)	19,319	02/23/2026	1FE

E05.4

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
00206R-BK-7	AT&T INC		06/22/2016	MIZUHO SECURITIES USA INC		2,344,200	2,500,000	2,209,300	2,210,153	.0	2,054	.0	2,054	.0	2,212,208	.0	131,992	131,992	58,000	06/15/2045	2FE
05950W-AF-5	BANC AMER CMB 2006-4		05/10/2016	PRINCIPAL RECEIPT		112,406	112,406	127,045	114,114	.0	(1,709)	.0	(1,709)	.0	112,406	.0	.0	.0	2,783	07/10/2046	1FM
059513-AE-1	BANC AMER CMB 2007-4		06/10/2016	PRINCIPAL RECEIPT		1,565	1,565	1,794	1,623	.0	(58)	.0	(58)	.0	1,565	.0	.0	.0	.31	02/10/2051	1FM
05952C-AE-0	BANC AMER CMB 2007-5		06/10/2016	PRINCIPAL RECEIPT		1,854	1,854	2,116	1,916	.0	(62)	.0	(62)	.0	1,854	.0	.0	.0	.34	02/10/2051	1FM
06051G-ET-2	BANK AMER CORP		05/12/2016	GOLDMAN, SACHS & CO.		889,522	885,000	883,794	884,451	.0	97	.0	97	.0	884,548	.0	4,975	4,975	15,045	01/11/2018	2FE
07388Q-AE-9	BEAR STEARNS CMB 2007-PWR17		06/13/2016	PRINCIPAL RECEIPT		10,852	10,852	12,477	11,233	.0	(381)	.0	(381)	.0	10,852	.0	.0	.0	172	06/13/2050	1FM
084670-BS-6	BERKSHIRE HATHAWAY INC DEL		06/03/2016	LINSCO/PRIVATE LEDGER		2,078,620	2,000,000	2,046,000	.0	.0	(853)	.0	(853)	.0	2,045,147	.0	33,473	33,473	14,410	03/15/2026	1FE
05568Y-AA-6	BNSF RAILWAY CO 2007-1		04/01/2016	PRINCIPAL RECEIPT		21,857	21,857	21,857	21,857	.0	.0	.0	.0	.0	21,857	.0	.0	.0	.0	04/01/2024	1FE
097014-AL-8	BOEING CAP CORP		04/08/2016	CFG CAPITAL MARKETS LLC		556,250	500,000	562,545	543,878	.0	(2,973)	.0	(2,973)	.0	540,905	.0	15,345	15,345	10,836	10/27/2019	1FE
116663-AC-9	BRUCE MANSFIELD UNIT 2007-1		06/01/2016	PRINCIPAL RECEIPT		2,788	2,788	2,788	2,788	.0	.0	.0	.0	.0	2,788	.0	.0	.0	.0	06/01/2034	2AM
12189L-AR-2	BURLINGTON NORTHN SANTA FE CP		06/07/2016	GOLDMAN, SACHS & CO.		328,365	300,000	299,019	299,170	.0	37	.0	37	.0	299,208	.0	29,157	29,157	7,781	04/01/2024	1FE
126802-BR-7	CABELAS CC MSTR TR 2011-II A1 144A		06/15/2016	PRINCIPAL RECEIPT		350,000	350,000	364,533	353,360	.0	(3,360)	.0	(3,360)	.0	350,000	.0	.0	.0	4,182	06/17/2019	1FE
13975F-AC-4	CAPITAL AUTO RECV ABN 2013-3		06/20/2016	PRINCIPAL RECEIPT		1,324,010	1,324,010	1,331,458	1,326,221	.0	(2,211)	.0	(2,211)	.0	1,324,010	.0	.0	.0	7,117	12/20/2017	1FE
13975F-AC-4	CAPITAL AUTO RECV ABN 2013-4		06/20/2016	PRINCIPAL RECEIPT		36,829	36,829	36,829	36,829	.0	.0	.0	.0	.0	36,829	.0	.0	.0	153	03/20/2018	1FE
12505N-AB-0	CGG RECEIVABLES ABS 1.060% 144A		06/14/2016	PRINCIPAL RECEIPT		10,490	10,490	10,490	10,494	.0	(4)	.0	(4)	.0	10,490	.0	.0	.0	.38	11/15/2021	1FE
12618S-AC-1	CNH EQUIPMENT TR 2013-D		06/15/2016	PRINCIPAL RECEIPT		11,488	11,488	11,487	11,487	.0	(2)	.0	(2)	.0	11,488	.0	.0	.0	.31	10/15/2018	1FE
12624N-AA-8	COMM MTG TR 2012-LTRT 144A		06/06/2016	PRINCIPAL RECEIPT		34,186	34,186	35,314	34,979	.0	(793)	.0	(793)	.0	34,186	.0	.0	.0	248	10/07/2030	1FM
209111-FE-8	CONSOLIDATED EDISON CO N Y INC		04/08/2016	CFG CAPITAL MARKETS LLC		525,000	500,000	502,405	502,287	.0	(62)	.0	(62)	.0	502,225	.0	22,775	22,775	6,050	12/01/2024	1FE
210795-PZ-7	CONTINENTAL AIRLINE PT TR 2012-1		04/11/2016	Sink PMT @ 100.0000000		4,553	4,553	4,521	4,530	.0	23	.0	23	.0	4,553	.0	.0	.0	.0	10/11/2025	1FE
126650-CX-4	CVS HEALTH CORP		06/13/2016	PRINCIPAL RECEIPT		2,140,000	2,000,000	2,137,980	.0	.0	(3,181)	.0	(3,181)	.0	2,134,799	.0	5,201	5,201	28,389	07/20/2022	1FE
25272U-AA-9	DIAMOND RESORTS TR 144A		06/20/2016	MERRILL LYNCH PROFESSNL		5,245	5,245	5,244	5,259	.0	(14)	.0	(14)	.0	5,245	.0	.0	.0	.41	05/20/2026	1FE
25468P-BW-5	DISNEY WALT CO MTNS BE		04/07/2016	CLEAR		2,134,395	1,500,000	2,079,510	2,075,288	.0	(6,933)	.0	(6,933)	.0	2,068,355	.0	66,040	66,040	64,458	03/01/2032	1FE
25755T-AC-4	DOMINOS PIZZA MSTR 2012-1 144A		04/25/2016	PRINCIPAL RECEIPT		2,173	2,173	2,264	2,235	21	(83)	.0	(62)	.0	2,173	.0	.0	.0	29	01/25/2042	4AM
263534-CC-1	DU PONT E I DE NEMOURS & CO		04/08/2016	CFG CAPITAL MARKETS LLC		801,000	750,000	812,258	811,165	.0	(366)	.0	(366)	.0	810,798	.0	(9,798)	(9,798)	27,358	01/15/2041	1FE
26442C-AM-6	DUKE ENERGY CAROLINAS LLC		06/08/2016	MERRILL LYNCH PROFESSNL		1,647,930	1,500,000	1,646,010	.0	.0	(606)	.0	(606)	.0	1,645,404	.0	2,526	2,526	31,521	12/15/2041	1FE
263901-AF-7	DUKE ENERGY INDIANA INC		04/07/2016	CLEAR		1,158,730	1,000,000	1,094,100	1,093,298	.0	(490)	.0	(490)	.0	1,092,807	.0	65,923	65,923	36,342	07/15/2043	1FE
285512-AC-3	ELECTRONIC ARTS INC		05/17/2016	BAIRD, ROBERT W. & CO		68,255	65,000	64,903	.0	.0	4	.0	4	.0	64,907	.0	3,348	3,348	558	03/01/2021	2FE
29372E-AY-4	ENTERPRISE FLEET FNC 144A		06/20/2016	PRINCIPAL RECEIPT		25,541	25,541	25,537	25,542	.0	(1)	.0	(1)	.0	25,541	.0	.0	.0	115	03/20/2019	1FE
30165R-AA-6	EXETER AUTO RECV TR 2014 144A		06/15/2016	PRINCIPAL RECEIPT		4,873	4,873	4,872	4,875	.0	(2)	.0	(2)	.0	4,873	.0	.0	.0	20	08/15/2018	1FE
30231G-AN-2	EXXON MOBIL CORP		06/22/2016	LINSCO/PRIVATE LEDGER		2,982,420	3,000,000	2,890,500	2,890,911	.0	988	.0	988	.0	2,891,899	.0	90,521	90,521	86,500	03/06/2045	1FE
31428X-BE-5	FEDEX CORP		06/22/2016	CFG CAPITAL MARKETS LLC		2,146,160	2,000,000	2,013,000	2,012,984	.0	(99)	.0	(99)	.0	2,012,884	.0	133,276	133,276	64,389	11/15/2045	2FE
316773-CP-3	FIFTH THIRD BANCORP		04/08/2016	CFG CAPITAL MARKETS LLC		525,000	500,000	523,095	520,724	.0	(606)	.0	(606)	.0	520,118	.0	4,882	4,882	15,946	01/16/2024	2FE
34530F-AF-1	FORD CREDIT AUTO LEASE 2013-B		04/15/2016	PRINCIPAL RECEIPT		19,894	19,894	19,890	19,893	.0	.0	.0	.0	.0	19,894	.0	.0	.0	206	11/15/2016	1FE
34530F-AG-9	FORD CREDIT AUTO LEASE 2013-B		05/15/2016	PRINCIPAL RECEIPT		115,000	115,000	114,999	115,000	.0	.0	.0	.0	.0	115,000	.0	.0	.0	618	08/15/2017	1FE
345397-IP-4	FORD MOTOR CREDIT CO LLC		05/12/2016	PAINE WEBBER		404,120	400,000	398,484	399,013	.0	109	.0	109	.0	399,121	.0	4,999	4,999	6,465	03/12/2019	2FE
361448-AK-9	GATX CORP		04/15/2016	US BANCORP INVESTMENTS INC		85,615	85,000	88,743	85,575	.0	(307)	.0	(307)	.0	85,268	.0	346	346	2,231	07/15/2016	2FE
36962G-4Y-7	GENERAL ELEC CAP CORP		04/12/2016	STIFEL, NICOLAUS & CO., INC.		137,762	122,000	125,387	123,987	.0	(100)	.0	(100)	.0	123,887	.0	13,875	13,875	4,357	01/07/2021	1FE
36962G-4J-0	GENERAL ELEC CAP CORP MTN BE		04/14/2016	STIFEL, NICOLAUS & CO., INC.		278,128	244,000	277,967	262,664	.0	(1,241)	.0	(1,241)	.0	261,423	.0	16,705	16,705	10,475	01/08/2020	1FE
38141E-A2-5	GOLDMAN SACHS GRP INC MTN BE		05/12/2016	STIFEL, NICOLAUS & CO., INC.		320,720	280,000	341,939	321,387	.0	(4,654)	.0	(4,654)	.0	316,734	.0	3,986	3,986	15,867	02/15/2019	1FE
20173Q-AE-1	GREENHICH CAP CMB 2007-GG9		06/10/2016	PRINCIPAL RECEIPT		3,388	3,388	3,729	3,449	.0	(62)	.0	(62)	.0	3,388	.0	.0	.0	74	03/10/2039	1FM
36253B-AQ-6	GS MTG SECS TR 2014-GC22		06/10/2016	PRINCIPAL RECEIPT		3,455	3,455	3,455	3,454	.0	1	.0	1	.0	3,455	.0	.0	.0	15	06/12/2047	1FM

E05.5

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
406216-BK-6	HALLIBURTON CO		06/22/2016	LINSCO/PRIVATE LEDGER																	
411707-AA-0	HARDEES FUND LLC 144A		06/20/2016	CORP. RE		2,092,398	2,000,000	2,001,400	2,001,397	.0	(10)	.0	(10)	.0	2,001,387	.0	91,011	91,011	62,222	11/15/2045	1FE
43284A-AA-2	HILTON GRAND VACA TR 2014-A 144A		06/25/2016	PRINCIPAL RECEIPT		1,219	1,219	1,225	1,211	.11	(4)	.0	7	.0	1,219	.0	.0	.0	.0	03/20/2043	3AM
437076-BA-9	HOME DEPOT INC		06/22/2016	LINSCO/PRIVATE LEDGER																	
45685E-AE-6	ING US INC		06/20/2016	CORP. RE		2,179,500	2,000,000	2,042,300	2,042,129	.0	(420)	.0	(420)	.0	2,041,709	.0	137,791	137,791	62,067	04/01/2043	1FE
46629P-AC-2	JP MORGAN CDM MTG 2006-LDP9		06/15/2016	TENDER OFFER		24,726	24,000	23,962	23,981	.0	4	.0	4	.0	23,985	.0	741	741	590	02/15/2018	2FE
46641C-BP-5	JP MORGAN MTG TR 2014-144A		04/25/2016	PRINCIPAL RECEIPT		8,144	8,144	8,897	8,407	.0	(263)	.0	(263)	.0	8,144	.0	.0	.0	128	05/15/2047	1FM
494368-BQ-5	KIMBERLY CLARK CORP		06/07/2016	VARIOUS		2,109,035	2,112,725	2,078,189	1,414,049	.0	234	.0	234	.0	2,078,726	.0	30,309	30,309	21,248	01/25/2044	1FM
50179A-AE-7	LB-LBS CMB 2007-C1		06/17/2016	MERRILL LYNCH PROFESSNL																	
52602E-AD-4	LENDER PROCESSING SVCS INC		04/08/2016	CLEAR		677,708	654,000	696,510	654,000	.0	.0	.0	.0	.0	654,000	.0	23,708	23,708	18,594	04/15/2023	2FE
534187-BC-2	LINCOLN NATL CORP IND		04/08/2016	CFG CAPITAL MARKETS LLC		948,375	900,000	959,247	943,640	.0	(1,718)	.0	(1,718)	.0	941,922	.0	6,453	6,453	21,840	03/15/2022	2FE
585055-BG-0	MEDTRONIC INC		04/18/2016	HSBC SECURITIES, INC.		620,676	600,000	599,394	599,436	.0	38	.0	38	.0	599,474	.0	21,202	21,202	9,000	03/15/2020	1FE
585055-BU-9	MEDTRONIC INC SR GLBL NT 45		04/12/2016	BARCLAYS CAPITAL INC		618,135	550,000	548,526	548,534	.0	7	.0	7	.0	548,540	.0	69,594	69,594	14,749	03/15/2045	1FE
594918-BD-5	MICROSOFT CORP		06/14/2016	CFG CAPITAL MARKETS LLC		2,498,775	2,500,000	2,347,050	2,347,588	.0	1,248	.0	1,248	.0	2,348,835	.0	149,940	149,940	79,427	02/12/2045	1FE
59025W-AE-6	ML MTG TRUST 2008-C1		06/14/2016	PRINCIPAL RECEIPT		5,376	5,376	6,122	5,570	.0	(194)	.0	(194)	.0	5,376	.0	.0	.0	.0	02/12/2051	1FM
61763M-AA-8	MS BOFAML TRUST 2014-C16		06/17/2016	PRINCIPAL RECEIPT		4,082	4,082	4,082	4,081	.0	.1	.0	.1	.0	4,082	.0	.0	.0	18	06/17/2047	1FM
653893-AA-6	MVII OWNER TRUST 2013-144A		06/20/2016	PRINCIPAL RECEIPT		3,231	3,231	3,231	3,238	.0	(7)	.0	(7)	.0	3,231	.0	.0	.0	23	04/22/2030	1FE
65389P-AA-8	MVII OWNER TRUST 2015-1 144A		06/20/2016	PRINCIPAL RECEIPT		7,397	7,397	7,396	7,413	.0	(15)	.0	(15)	.0	7,397	.0	.0	.0	63	12/20/2032	1FE
64828A-AF-0	NEW RESI MTG LN TR 2014-1 144A		06/25/2016	PRINCIPAL RECEIPT		10,996	10,996	11,739	11,702	.0	(706)	.0	(706)	.0	10,996	.0	.0	.0	193	01/25/2054	1FE
654106-AE-3	NIKE INC		06/22/2016	CFG CAPITAL MARKETS LLC		2,144,660	2,000,000	1,961,300	1,961,410	.0	325	.0	325	.0	1,961,735	.0	182,925	182,925	51,236	11/01/2045	1FE
66989H-AK-4	NOVARTIS CAPITAL CORP		05/25/2016	MERRILL LYNCH PROFESSNL		2,150,000	2,000,000	2,013,100	2,013,081	.0	(96)	.0	(96)	.0	2,012,985	.0	137,015	137,015	42,444	11/20/2045	1FE
68389X-BB-0	ORACLE CORP		06/07/2016	NATIONAL FINL SERVICES		2,040,380	2,000,000	2,052,860	.0	.0	(1,309)	.0	(1,309)	.0	2,051,551	.0	(11,171)	(11,171)	28,472	05/15/2022	1FE
68784T-AA-3	OSCAR US FUNDING ABS 144A		04/16/2016	CORP		552,394	553,778	553,778	553,778	.0	.0	.0	.0	.0	553,778	.0	(1,384)	(1,384)	1,386	10/17/2016	1FE
718546-AK-0	PHILLIPS 66		04/25/2016	MILLENNIUM ADVISORS, LLC		188,837	185,000	182,676	182,758	.0	24	.0	24	.0	182,782	.0	6,055	6,055	3,895	11/15/2034	2FE
81745B-AI-7	SEQUOIA MTG TR 2013-6		06/25/2016	PRINCIPAL RECEIPT		9,494	9,494	9,553	9,552	.0	(58)	.0	(58)	.0	9,494	.0	.0	.0	112	05/25/2043	1FM
82652J-AA-5	SIERRA TIMSHR RCYV FDG 2015-3 144A		06/20/2016	PRINCIPAL RECEIPT		15,589	15,589	15,586	15,621	.0	(32)	.0	(32)	.0	15,589	.0	.0	.0	138	09/20/2032	1FE
78446X-AB-1	SLM PRIV ED LN TR 2012-B		06/15/2016	PRINCIPAL RECEIPT		115,766	115,766	115,754	115,782	.0	(16)	.0	(16)	.0	115,766	.0	.0	.0	1,378	10/15/2030	1FE
832696-AH-1	SMUCKER J M CO		04/11/2016	CFG CAPITAL MARKETS LLC		514,500	500,000	508,800	508,528	.0	(353)	.0	(353)	.0	508,175	.0	6,325	6,325	8,708	03/15/2022	2FE
84756N-AG-4	SPECTRA ENERGY PARTNERS LP		04/28/2016	WACHOVIA SECURITIES		301,584	315,000	312,587	312,618	.0	13	.0	13	.0	312,631	.0	(11,047)	(11,047)	8,978	03/15/2045	2FE
86787E-AN-7	SUNTRUST BK ATL SR MD TM BK NT		06/07/2016	CAPITAL		1,001,020	1,000,000	959,850	961,624	.0	2,018	.0	2,018	.0	963,642	.0	37,378	37,378	16,729	05/01/2023	1FE
87612E-BA-3	TARGET CORP		06/21/2016	CFG CAPITAL MARKETS LLC		1,047,950	1,000,000	996,890	996,903	.0	31	.0	31	.0	996,934	.0	51,016	51,016	39,222	07/01/2042	1FE
881561-XJ-8	TERWIN MTG TR 2005-14HE		06/25/2016	CLEAR		3,402	3,402	3,366	3,388	.0	14	.0	14	.0	3,402	.0	.0	.0	66	08/25/2036	1FM
89172H-AK-3	TOWD POINT MTG TR 2015-3 144A		06/25/2016	PRINCIPAL RECEIPT		14,786	14,786	14,791	14,788	.0	(1)	.0	(1)	.0	14,786	.0	.0	.0	147	03/25/2054	1FM
89171V-AK-3	TOWD POINT MTG TR 2015-5 144A		06/25/2016	PRINCIPAL RECEIPT		64,206	64,206	64,627	64,703	.0	(497)	.0	(497)	.0	64,206	.0	.0	.0	594	05/25/2055	1FM
902494-AT-0	TYSON FOODS INC		06/28/2016	STIFEL, NICOLAUS & CO., INC.		5,576	5,000	5,350	5,260	.0	(18)	.0	(18)	.0	5,242	.0	334	334	122	06/15/2022	2FE
913017-BT-5	UNITED TECHNOLOGIES CORP		06/22/2016	MERRILL LYNCH PROFESSNL		1,665,000	1,500,000	1,529,775	1,529,567	.0	(288)	.0	(288)	.0	1,529,279	.0	135,721	135,721	38,625	06/01/2042	1FE
90345W-AD-6	US AIRWAYS PT TRUST		06/03/2016	CLEAR		6,084	6,084	6,403	6,408	.0	(324)	.0	(324)	.0	6,084	.0	.0	.0	.0	12/03/2026	1FE
92826C-AB-8	VISA INC		06/01/2016	LINSCO/PRIVATE LEDGER		1,010,490	1,000,000	1,022,670	.0	.0	(257)	.0	(257)	.0	1,022,413	.0	(11,923)	(11,923)	10,511	12/14/2020	1FE
92979F-AD-2	WACHOVIA CMB 2007-C34		06/17/2016	CORP. RE		2,180	2,180	2,486	2,257	.0	(77)	.0	(77)	.0	2,180	.0	.0	.0	45	05/17/2046	1FM
98157H-AD-9	WORLD OMNI AUTO TR 2012-A		04/15/2016	PRINCIPAL RECEIPT		195,000	195,000	194,948	195,052	.0	(52)	.0	(52)	.0	195,000	.0	.0	.0	969	05/15/2019	1FE

E05.6

STATEMENT AS OF JUNE 30, 2016 OF THE Group Hospitalization & Medical Services, Inc.

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
984121-CB-7	XEROX CORPORATION		05/31/2016	SALOMON SMITH BARNEY INC/SAL		236,163	250,000	302,188	300,686	.0	(450)	.0	(450)	.0	300,236	.0	(64,074)	(64,074)	7,875	12/15/2039	2FE	
06739G-BP-3	BARCLAYS BK PLC	R	04/20/2016	BARCLAYS CAPITAL INC CREDIT SUISSE FIRST		256,183	240,000	259,358	254,384	.0	(838)	.0	(838)	.0	253,545	.0	2,638	2,638	6,545	10/14/2020	2FE	
22546D-AA-4	CREDIT SUISSE INTERNATIONAL 144A	F	05/17/2016	BOSTON COR		210,500	200,000	224,750	221,087	.0	(876)	.0	(876)	.0	220,211	.0	(9,711)	(9,711)	10,183	08/08/2023	2FE	
279158-AD-1	ECOPETROL S A SR NT	R	04/28/2016	SALOMON SMITH BARNEY INC/SAL		133,250	130,000	134,849	132,772	.0	(320)	.0	(320)	.0	132,452	.0	798	798	3,453	09/18/2018	2FE	
34988W-AD-6	FOSSIE MASTER 2011-1	R	04/18/2016	PRINCIPAL RECEIPT		13,544	13,544	13,641	13,658	.0	(115)	.0	(115)	.0	13,544	.0	.0	.0	71	10/18/2054	1FE	
34988W-AQ-7	FOSSIE MASTER 2012-1	R	04/18/2016	PRINCIPAL RECEIPT		15,766	15,766	15,766	15,766	.0	.0	.0	.0	.0	15,766	.0	.0	.0	75	10/18/2054	1FE	
36164N-FF-7	GE CAPITAL INTERNATIONAL FDG 144A	R	04/15/2016	SALOMON SMITH BARNEY INC/SAL		1,071,730	1,047,000	1,027,235	1,027,882	.0	1,065	.0	1,065	.0	1,028,947	.0	42,783	42,783	11,852	11/15/2020	1FE	
404280-AG-4	HSBC HLDGS PLC	R	04/25/2016	HSBC SECURITIES, INC.		565,260	475,000	585,048	580,572	.0	(990)	.0	(990)	.0	579,582	.0	(14,323)	(14,323)	15,094	05/02/2036	1FE	
749343-AB-5	RCI BANQUE S A	R	04/12/2016	MATURITY		195,000	195,000	197,250	195,198	.0	(198)	.0	(198)	.0	195,000	.0	.0	.0	4,485	04/12/2016	2FE	
76720A-AM-8	RIO TINTO FIN USA PLC	R	06/14/2016	CHASE SECURITIES, INC.		640,225	625,000	619,288	621,839	.0	470	.0	470	.0	622,309	.0	17,916	17,916	7,031	12/14/2018	1FE	
78447D-AF-5	SMART ABS US TRUST 2012-2 144A	R	05/14/2016	PRINCIPAL RECEIPT		279,936	279,936	279,873	280,005	.0	(69)	.0	(69)	.0	279,936	.0	.0	.0	2,516	03/14/2018	1FE	
83172L-AD-3	SMART ABS US TRUST 2012-4US	R	06/14/2016	PRINCIPAL RECEIPT		34,453	34,453	34,444	34,459	.0	(5)	.0	(5)	.0	34,453	.0	.0	.0	164	08/14/2018	1FE	
78447U-AF-7	SMART ABS US TRUST 2013-2US	R	06/14/2016	PRINCIPAL RECEIPT		27,449	27,449	27,448	27,449	.0	.0	.0	.0	.0	27,449	.0	.0	.0	112	02/14/2019	1FE	
78931T-AE-9	TURKIYE GARANTI BA	R	05/05/2016	HSBC SECURITIES, INC.		204,020	200,000	200,875	200,413	.0	(82)	.0	(82)	.0	200,332	.0	3,688	3,688	5,267	09/13/2017	2FE	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)			CFG CAPITAL MARKETS LLC		63,619,059	60,550,719	61,971,911	43,049,951	32	(39,467)	0	(39,435)	0	61,765,743	0	1,853,313	1,853,313	1,285,787	XXX	XXX	
369604-BQ-5	GENERAL ELECTRIC CO		04/08/2016	CFG CAPITAL MARKETS LLC		951,594	925,000	920,375	.0	.0	1	.0	1	.0	920,376	.0	31,218	31,218	10,663	12/15/2099	1FE	
4899999	Subtotal - Bonds - Hybrid Securities					951,594	925,000	920,375	.0	.0	1	.0	1	.0	920,376	.0	31,218	31,218	10,663	XXX	XXX	
8399997	Total - Bonds - Part 4					221,165,723	216,834,846	218,998,817	69,390,319	(13,531)	(362,987)	0	(376,518)	0	218,487,909	0	2,677,810	2,677,810	2,082,083	XXX	XXX	
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total - Bonds					221,165,723	216,834,846	218,998,817	69,390,319	(13,531)	(362,987)	0	(376,518)	0	218,487,909	0	2,677,810	2,677,810	2,082,083	XXX	XXX	
8999997	Total - Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9799997	Total - Common Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999	Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9899999	Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9999999	Totals					221,165,723	XXX	218,998,817	69,390,319	(13,531)	(362,987)	0	(376,518)	0	218,487,909	0	2,677,810	2,677,810	2,082,083	XXX	XXX	

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

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

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

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

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

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

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

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

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



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

**N O N E**