



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2017
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
(City or Town, State, Country and Zip Code) 410-581-3000
(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
(City or Town, State, Country and Zip Code) 410-998-7011
(Area Code) (Telephone Number)

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack 410-998-7011
(Name) (Area Code) (Telephone Number)
bill.stack@carefirst.com 410-998-6850
(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 & CFO</u>	<u>Brian David Pieninck, COO</u>	<u>Jonathan David Blum, EVP, Medical Affairs</u>
<u>David Jeffrey Corkum #, EVP, Large Group SBU</u>	<u>Harry Dietz Fox, EVP, Technical & Ops Support</u>	<u>Rose Vartuhi Megian #, EVP, Small and Medium Group SBU</u>
<u>Wanda Kay Oneferu-Bey, EVP, Consumer Direct SBU</u>	<u>Fred Adrian Walton Plumb, EVP, SBU-FEHBP</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>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>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>Shirley Rollins Patterson</u>	<u>Elena Victoria Rios</u>	<u>Patricia Amelia Rodriguez</u>

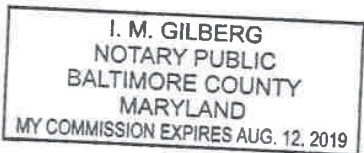
State of Maryland SS:
County of Baltimore

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

Subscribed and sworn to before me this 3rd day of November 2017

- 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.....



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	450,398,170	0	450,398,170	413,494,434
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	99,040,676	0	99,040,676	111,265,844
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 (\$(90,579,790)), cash equivalents (\$15,298,677) and short-term investments (\$81,601,932)	6,320,819	0	6,320,819	5,002,712
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	464,101,267	166,667	463,934,600	453,073,427
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)	1,019,860,932	166,667	1,019,694,265	982,836,417
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	3,237,785	0	3,237,785	3,021,249
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	251,528,696	8,674,759	242,853,937	241,300,358
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 (\$0) and contracts subject to redetermination (\$110,608,541)	110,608,541	0	110,608,541	95,754,913
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	5,386,136	0	5,386,136	25,314,264
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	5,939,091	0	5,939,091	6,759,621
17. Amounts receivable relating to uninsured plans	39,043,998	1,018,942	38,025,056	51,098,500
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	29,077,527	29,077,527	0	0
19. Guaranty funds receivable or on deposit	10,445,945	0	10,445,945	0
20. Electronic data processing equipment and software	154,432,794	134,109,264	20,323,530	17,749,789
21. Furniture and equipment, including health care delivery assets (\$0)	14,700,474	14,700,474	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	32,137,399	0	32,137,399	39,761,465
24. Health care (\$132,027,166) and other amounts receivable	818,802,725	11,240,607	807,562,118	819,126,311
25. Aggregate write-ins for other than invested assets	62,276,873	60,906,726	1,370,147	1,380,087
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,557,478,916	259,894,966	2,297,583,950	2,284,102,974
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	2,557,478,916	259,894,966	2,297,583,950	2,284,102,974
DETAILS OF WRITE-INS				
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 Pension	446,438	446,438	0	0
2502. Prepaid Expenses	60,460,288	60,460,288	0	0
2503. Other Assets	1,370,147	0	1,370,147	1,380,087
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)	62,276,873	60,906,726	1,370,147	1,380,087

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 4,260,839 reinsurance ceded)	264,384,632	8,456,527	272,841,159	290,600,209
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	10,163,462	325,085	10,488,547	11,209,475
4. Aggregate health policy reserves, including the liability of \$ 4,840,000 for medical loss ratio rebate per the Public Health Service Act	720,445,809	0	720,445,809	727,008,385
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	37,874,108	0	37,874,108	44,121,765
9. General expenses due or accrued	57,302,346	0	57,302,346	68,674,629
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 2,427,247 on realized gains (losses))	1,169,423	0	1,169,423	3,613,986
10.2 Net deferred tax liability	2,568,547	0	2,568,547	7,111,951
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	37,604,073	0	37,604,073	39,279,271
13. Remittances and items not allocated	321,989	0	321,989	1,607,594
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	83,200,686	0	83,200,686	69,683,723
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	10,274,330	0	10,274,330	11,577,290
23. Aggregate write-ins for other liabilities (including \$ 10,442,555 current)	46,646,458	0	46,646,458	46,376,645
24. Total liabilities (Lines 1 to 23)	1,271,955,863	8,781,612	1,280,737,475	1,320,864,923
25. Aggregate write-ins for special surplus funds	XXX	XXX	56,250,000	0
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	960,596,475	963,238,051
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	1,016,846,475	963,238,051
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,297,583,950	2,284,102,974
DETAILS OF WRITE-INS				
2301. Amounts Withheld for Escheatment	5,688,759	0	5,688,759	7,435,483
2302. Reinsurance Payable	7,524,041	0	7,524,041	8,086,637
2303. Noncurrent Pension and Other Postretirement Liabilities	25,752,905	0	25,752,905	22,614,364
2398. Summary of remaining write-ins for Line 23 from overflow page	7,680,753	0	7,680,753	8,240,161
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	46,646,458	0	46,646,458	46,376,645
2501. Special Surplus - 2018 Health Insurer fee	XXX	XXX	56,250,000	0
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	56,250,000	0
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	6,200,706	6,748,808	8,848,893
2. Net premium income (including \$0 non-health premium income)	XXX	2,505,635,579	2,721,604,152	3,559,039,424
3. Change in unearned premium reserves and reserve for rate credits	XXX	4,319,483	(55,166,140)	(83,166,566)
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	12,991,457	(37,973,870)	19,498,891
7. Aggregate write-ins for other non-health revenues	XXX	5,670,362	5,021,276	6,615,910
8. Total revenues (Lines 2 to 7)	XXX	2,528,616,881	2,633,485,418	3,501,987,659
Hospital and Medical:				
9. Hospital/medical benefits	38,949,394	1,386,509,076	1,486,456,630	1,951,854,365
10. Other professional services	1,553,387	179,293,046	165,569,296	221,044,608
11. Outside referrals	28,089,361	28,089,361	41,086,960	52,771,594
12. Emergency room and out-of-area	1,128,641	51,293,544	55,176,202	73,023,573
13. Prescription drugs	0	604,284,328	592,198,201	801,675,688
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)	69,720,783	2,249,469,355	2,340,487,289	3,100,369,828
Less:				
17. Net reinsurance recoveries	0	35,445,158	52,316,723	71,310,469
18. Total hospital and medical (Lines 16 minus 17)	69,720,783	2,214,024,197	2,288,170,566	3,029,059,359
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$35,581,745 cost containment expenses	0	94,866,441	110,343,360	135,234,452
21. General administrative expenses	0	188,480,285	261,447,138	341,473,177
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)	69,720,783	2,497,370,923	2,659,961,064	3,505,766,988
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	31,245,958	(26,475,646)	(3,779,329)
25. Net investment income earned	0	11,721,069	11,395,751	16,222,270
26. Net realized capital gains (losses) less capital gains tax of \$2,427,247	0	9,708,986	5,261,094	4,564,856
27. Net investment gains (losses) (Lines 25 plus 26)	0	21,430,055	16,656,845	20,787,126
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	47,359	232,170	254,747
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	52,723,372	(9,586,631)	17,262,544
31. Federal and foreign income taxes incurred	XXX	12,233,450	20,421,433	26,735,046
32. Net income (loss) (Lines 30 minus 31)	XXX	40,489,922	(30,008,064)	(9,472,502)
DETAILS OF WRITE-INS				
0601. FEP Performance Incentive	XXX	12,954,736	13,288,551	19,367,017
0602. Miscellaneous Fees	XXX	36,721	63,050	131,874
0603. DISB Surplus Review Order	XXX	0	(51,325,471)	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	12,991,457	(37,973,870)	19,498,891
0701. FEP Bridge Revenue	XXX	5,670,362	5,021,276	6,615,910
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	5,670,362	5,021,276	6,615,910
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	48,667	228,821	243,911
2902. Regulatory Fines and Fees	0	(1,308)	3,349	10,836
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	47,359	232,170	254,747

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	963,238,049	960,214,523	960,214,523
34. Net income or (loss) from Line 32	40,489,922	(30,008,064)	(9,472,502)
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 \$ (380,793)	10,153,986	5,551,479	(3,947,481)
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	5,100,674	140,704	7,791,307
39. Change in nonadmitted assets	(2,136,156)	8,286,095	(8,640,003)
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	0	2,810,494	17,292,205
48. Net change in capital & surplus (Lines 34 to 47)	53,608,426	(13,219,292)	3,023,526
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,016,846,475	946,995,231	963,238,049
DETAILS OF WRITE-INS			
4701. Change in Pension Prepaid Asset/Liability	0	0	14,481,714
4702. Correction of Errors, Net of Taxes	0	2,462,178	2,462,175
4703. Prior Year Miscellaneous Adjustments	0	348,316	348,316
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)	0	2,810,494	17,292,205

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	2,480,851,868	2,629,498,756	3,449,274,937
2. Net investment income	13,010,201	13,050,074	18,972,862
3. Miscellaneous income	18,661,819	(32,952,594)	26,114,801
4. Total (Lines 1 to 3)	2,512,523,888	2,609,596,236	3,494,362,600
5. Benefit and loss related payments	2,201,847,206	2,266,240,312	2,983,391,811
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	247,985,838	363,486,650	437,365,281
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 2,427,247 tax on capital gains (losses)	17,105,260	16,430,847	21,847,664
10. Total (Lines 5 through 9)	2,466,938,304	2,646,157,809	3,442,604,756
11. Net cash from operations (Line 4 minus Line 10)	45,585,584	(36,561,573)	51,757,844
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	365,698,613	418,609,281	514,538,139
12.2 Stocks	70,150,000	29,000,000	29,094,771
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	0	4,413	4,428
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	435,848,613	447,613,694	543,637,338
13. Cost of investments acquired (long-term only):			
13.1 Bonds	403,870,057	436,046,270	495,612,896
13.2 Stocks	47,114,532	23,130,889	24,707,162
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)	450,984,589	459,177,159	520,320,058
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)	(15,135,976)	(11,563,465)	23,317,280
Cash from Financing and Miscellaneous Sources			
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)	(29,131,499)	(12,435,910)	(144,371,807)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(29,131,499)	(12,435,910)	(144,371,807)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,318,109	(60,560,948)	(69,296,683)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	5,002,710	74,299,394	74,299,394
19.2 End of period (Line 18 plus Line 19.1)	6,320,819	13,738,446	5,002,710

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

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STATEMENT AS OF SEPTEMBER 30, 2017 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							
Total Members at end of:										
1. Prior Year	722,128	60,984	221,251	10,527	15,579	37,792	359,694	0	0	16,301
2. First Quarter	692,771	55,608	201,261	10,338	16,280	37,294	357,701	0	0	14,289
3. Second Quarter	686,087	53,607	198,069	10,207	17,112	37,069	355,652	0	0	14,371
4. Third Quarter	681,249	52,346	193,103	10,095	16,900	40,855	353,512	0	0	14,438
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	6,200,706	490,777	1,789,358	92,393	149,854	346,832	3,202,429	0	0	129,063
Total Member Ambulatory Encounters for Period:										
7. Physician	6,094,806	217,630	700,242	120,379	0	0	5,056,555	0	0	0
8. Non-Physician	4,267,338	171,496	474,829	47,485	0	0	3,573,528	0	0	0
9. Total	10,362,144	389,126	1,175,071	167,864	0	0	8,630,083	0	0	0
10. Hospital Patient Days Incurred	134,677	9,213	19,158	4,684	0	0	101,622	0	0	0
11. Number of Inpatient Admissions	29,956	2,556	5,494	1,063	0	0	20,843	0	0	0
12. Health Premiums Written (a)	2,536,996,064	199,961,026	696,029,507	18,813,838	11,031,982	61,221,767	1,542,039,874	0	0	7,898,070
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	2,541,315,547	200,941,817	691,922,733	18,813,838	11,031,982	61,221,767	1,549,485,340	0	0	7,898,070
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services.....	2,270,296,638	204,898,946	531,597,161	14,586,619	9,754,149	45,678,796	1,462,008,120	0	0	1,772,847
18. Amount Incurred for Provision of Health Care Services	2,249,469,356	201,759,043	516,126,439	14,005,813	9,747,184	45,337,631	1,460,478,120	0	0	2,015,126

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

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Group Hospitalization & Medical Services, Inc.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999 Aggregate accounts not individually listed-uncovered	0	0	0	0	0	0
0399999 Aggregate accounts not individually listed-covered	40,159,186	263,811	45,841	34,089	363,451	40,866,378
0499999 Subtotals	40,159,186	263,811	45,841	34,089	363,451	40,866,378
0599999 Unreported claims and other claim reserves						236,235,620
0699999 Total amounts withheld						0
0799999 Total claims unpaid						277,101,998
0899999 Accrued medical incentive pool and bonus amounts						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)	66,013,496	688,780,144	1,990,017	71,035,221	68,003,513	88,383,907
2. Medicare Supplement	3,167,281	17,231,680	57,639	2,990,927	3,224,920	3,932,046
3. Dental Only	3,311,620	37,286,103	120,882	4,540,516	3,432,502	4,895,064
4. Vision Only	0	9,323,230	0	173,875	0	180,841
5. Federal Employees Health Benefits Plan	195,255,995	1,266,752,125	6,317,249	182,692,751	201,573,244	190,540,000
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	483,042	1,278,061	83,427	2,838,654	566,469	2,668,351
9. Health subtotal (Lines 1 to 8)	268,231,434	2,020,651,343	8,569,214	264,271,944	276,800,648	290,600,209
10. Healthcare receivables (a)	0	57,099,527	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)	268,231,434	1,963,551,816	8,569,214	264,271,944	276,800,648	290,600,209

(a) Excludes \$ 82,256,850 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 nine months ended September 30, 2017 and the year ended December 31, 2016, there were no differences in net income (loss) and surplus between NAIC SAP and practices prescribed by the District of Columbia.

				<i>(in thousands)</i>	
				September 30, December 31,	
<u>NET INCOME (LOSS)</u>	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2017</u>	<u>2016</u>
(1) State basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	\$ 40,490	\$ (9,473)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 40,490</u>	<u>\$ (9,473)</u>
 <u>SURPLUS</u>					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 1,016,846	\$ 963,238
(6) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 1,016,846</u>	<u>\$ 963,238</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

Changes in Accounting Principles

In December 2016 and June 2017, the NAIC adopted revisions to SSAP No. 35R, *Guaranty Fund and Other Assessments*. The revisions allow entities to consider expected renewals of in-force short-term health contracts when determining the premium tax credit receivable resulting from an accrued retrospective guaranty fund assessment for the insolvency of an insurer that wrote long-term care contracts. The revisions also allow the resulting premium tax credit receivable to be discounted. The Company adopted the revisions effective January 1, 2017 and recorded a discounted premium tax credit receivable in June 2017 in accordance with the revised guidance (see Note 14).

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.

NOTES TO FINANCIAL STATEMENTS

D. Loan-Backed Securities

- (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 September 30, 2017, 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 September 30, 2017, 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
September 30, 2017					
Government sponsored enterprise mortgage-backed securities	\$ 58,935	\$ 646	\$ 3	\$ 481	\$ 1,127
Other mortgage-backed and asset-backed securities	7,371	18	2,619	60	78
Total	\$ 66,306	\$ 664	\$ 2,622	\$ 541	\$ 1,205

- (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.

L. 5* Securities

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. – B. No change.

7. Investment Income

A. – B. No change.

8. Derivative Instruments

None.

NOTES TO FINANCIAL STATEMENTS

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) 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 Company's 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.

In 2016, GHMSI reached the surplus threshold limiting the amount of the 833(b) deduction. As a result, some of its income was taxed at the 35% effective tax rate. The consolidated group rate remained at 20% such that it continues to be taxed at the Tentative Minimum Tax Rate of 20%. This effect continues in 2017.

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*):

	September 30, 2017			December 31, 2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$ 227,106	\$ 22,094	\$ 249,200	\$ 210,925	\$ 22,357	\$ 233,282	\$ 16,181	\$ (263)	\$ 15,918
Statutory valuation allowance adjustment	168,390	-	168,390	156,130	-	156,130	12,260	-	12,260
Adjusted gross deferred tax assets	58,716	22,094	80,810	54,795	22,357	77,152	3,921	(263)	3,658
Deferred tax assets nonadmitted	29,078	-	29,078	28,139	-	28,139	939	-	939
Subtotal net admitted deferred tax asset	29,638	22,094	51,732	26,656	22,357	49,013	2,982	(263)	2,719
Deferred tax liabilities	272	54,028	54,300	6	56,118	56,124	266	(2,090)	(1,824)
Net admitted deferred tax asset/(liability)	\$ 29,366	\$ (31,934)	\$ (2,568)	\$ 26,650	\$ (33,761)	\$ (7,111)	\$ 2,716	\$ 1,827	\$ 4,543

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

	September 30, 2017			December 31, 2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 26,891	\$ -	\$ 26,891	\$ 22,699	\$ -	\$ 22,699	\$ 4,192	\$ -	\$ 4,192
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	149,478	NA	NA	141,823	NA	NA	7,655
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above) Offset by Gross Deferred Tax Liabilities.	2,747	22,094	24,841	3,957	22,357	26,314	(1,210)	(263)	(1,473)
Deferred Tax Asset Admitted as the result of application of SSAP No. 101 Total (a.+b.+c.)	\$ 29,638	\$ 22,094	\$ 51,732	\$ 26,656	\$ 22,357	\$ 49,013	\$ 2,982	\$ (263)	\$ 2,719

	2017	2016
Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	851%	851%
Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation	\$ 996,523	\$ 945,488

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

	September 30, 2017			December 31, 2016			Change		
	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent
Adjusted Gross DTAs	\$ 58,716	\$ 22,094	\$ 80,810	\$ 54,795	\$ 22,357	\$ 77,152	\$ 3,921	\$ (263)	\$ 3,658
Percentage of Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net Admitted Adjusted Gross DTAs	\$ 29,638	\$ 22,094	\$ 51,732	\$ 26,656	\$ 22,357	\$ 49,013	\$ 2,982	\$ (263)	\$ 2,719
Percentage of Net Admitted Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%

NOTES TO FINANCIAL STATEMENTS

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

The provision for income taxes on earnings for the quarters ended September 30, 2017 and September 30, 2016 and year ended December 31, 2016 are as follows (*in thousands*):

	Sep. 30, 2017	Sep. 30, 2016	Dec. 31, 2016
Federal provision	\$ 12,233	\$ 20,421	\$ 26,735
Federal income tax on net capital gains	2,427	1,315	1,141
Federal income taxes incurred	<u>\$ 14,660</u>	<u>\$ 21,736</u>	<u>\$ 27,876</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*):

Deferred Tax Assets:	Sep. 30, 2017	Dec. 31, 2016	Change
Ordinary			
Benefit Obligations	\$ 33,467	\$ 33,483	\$ (16)
Unpaid Claims	886	1,003	(117)
Accrued Expenses	4,051	4,983	(932)
Nonadmitted Assets	36,622	34,182	2,440
AMT Credits	126,414	118,002	8,412
Other	25,666	19,272	6,394
Subtotal	<u>227,106</u>	<u>210,925</u>	<u>16,181</u>
Statutory valuation allowance adjustment	168,390	156,130	12,260
Nonadmitted	<u>29,078</u>	<u>28,139</u>	<u>939</u>
Admitted ordinary deferred tax assets	29,638	26,656	2,982
Capital			
Investments	<u>22,094</u>	<u>22,357</u>	<u>(263)</u>
Subtotal	<u>22,094</u>	<u>22,357</u>	<u>(263)</u>
Nonadmitted	-	-	-
Admitted capital deferred tax assets	<u>22,094</u>	<u>22,357</u>	<u>(263)</u>
Admitted deferred tax assets	<u>51,732</u>	<u>49,013</u>	<u>2,719</u>
Deferred Tax Liabilities:			
Ordinary			
Accrued Expenses	-	-	-
Unpaid Claims and Other	<u>272</u>	<u>6</u>	<u>266</u>
Subtotal	<u>272</u>	<u>6</u>	<u>266</u>
Capital			
Investments	2,474	3,951	(1,477)
Investment in affiliate	<u>51,554</u>	<u>52,167</u>	<u>(613)</u>
Subtotal	<u>54,028</u>	<u>56,118</u>	<u>(2,090)</u>
Deferred tax liabilities	<u>54,300</u>	<u>56,124</u>	<u>(1,824)</u>
Net deferred tax liabilities	<u>\$ (2,568)</u>	<u>\$ (7,111)</u>	<u>\$ 4,543</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*):

	Sep. 30, 2017	Dec. 31, 2016	Change
Adjusted gross deferred tax assets	\$ 80,810	\$ 77,152	\$ 3,658
Total deferred tax liabilities	<u>54,300</u>	<u>56,124</u>	<u>1,824</u>
Net deferred tax assets/(liabilities)	\$ 26,510	\$ 21,028	\$ 5,482
Tax effect of unrealized gains(losses)			(218)
Investment in Affiliate			<u>(350)</u>
Change in net deferred income tax			<u>\$ 4,914</u>

NOTES TO FINANCIAL STATEMENTS

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

	Sep. 30, 2017	Effective Tax Rate
Provision computed at statutory rate	\$ 19,303	35.00%
Consolidated Group Tax Rate Reduction	(13,590)	-24.64%
Permanent book to tax and other reserve adjustment	1,926	3.49%
Change in Depreciation	863	1.57%
Changes in valuation allowance	3,685	6.68%
Nonadmitted assets and other	(2,441)	-4.43%
Total	<u>\$ 9,746</u>	<u>17.67%</u>
Federal income taxes incurred	\$ 14,660	26.58%
Change in net deferred income taxes	(4,914)	-8.91%
Total statutory income taxes	<u>\$ 9,746</u>	<u>17.67%</u>

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2014 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, CareCo, LLC (CareCo) 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.

CareCo was formed on January 10, 2017 to provide certain services to support the Patient-Centered Medical Home program operated by the Company and its affiliates.

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 nine months ended September 30, 2017 and 2016 are as follows (*in thousands*):

	Pension Benefits		Other Postretirement Benefits	
	2017	2016	2017	2016
Service cost	\$ 5,396	\$ 4,840	\$ 362	\$ 384
Interest cost	10,218	10,910	642	752
Expected return on plan assets	(15,820)	(16,281)	-	-
Amortization of transition asset	(1,988)	(1,988)	-	-
Amortization of prior service cost	118	146	207	207
Net recognized actuarial loss (gain)	5,287	7,155	(329)	(179)
Net periodic benefit cost for the nine months ended September 30	<u>\$ 3,211</u>	<u>\$ 4,782</u>	<u>\$ 882</u>	<u>\$ 1,164</u>

NOTES TO FINANCIAL STATEMENTS

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

- (1) – (8) No change.
- (9) The Company is subject to the Health Insurer Fee (HIF) imposed 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.
- (10) Change in net unrealized capital gains (losses) for the nine months ended September 30, 2017:

Change in the unrealized gains (losses) from:	
Affiliated other invested assets:	
CareFirst Holdings	\$ 4,821,428
CareFirst BlueChoice	(1,751,419)
FirstCare	160,259
CFA	6,058,488
NCIA	162,242
CASCI	1,678,045
CareCo	(267,870)
Unaffiliated common stocks	(1,095,115)
Bonds	7,135
Total unrealized gains (losses)	<u>9,773,193</u>
Capital gains deferred taxes	<u>380,793</u>
Change in net unrealized capital gains (losses)	
less capital gains tax (Page 5 Line 36)	<u>\$ 10,153,986</u>

- (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.

On March 1, 2017, the Commonwealth Court of Pennsylvania declared long-term care insurer Penn Treaty Network America Insurance Company and one of its subsidiaries (collectively, Penn Treaty) insolvent and ordered Penn Treaty to be liquidated. The insolvency resulted in a retrospective premium-based guaranty fund assessment against the Company of \$16,582,000 which was recorded in general expenses due or accrued as of March 31, 2017. The Company paid assessment invoices of \$14,054,000 in April 2017 and expects the remaining assessments of \$2,528,000 to be invoiced and paid in 2018. The insolvency also resulted in a discounted premium tax credit receivable of \$10,446,000 which was recorded in guaranty funds receivable or on deposit as of September 30, 2017. The Company expects the premium tax credit to be realized incrementally through 2028. The net impact of \$6,136,000 was recorded in general and administrative expenses for the nine months ended September 30, 2017.

A reconciliation of the recognized premium tax credit receivable is as follows (*in thousands*):

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges as of January 1, 2017	\$ -
b. Decreases:	-
c. Increases:	
Premium tax offset recognized	<u>10,446</u>
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges as of September 30, 2017	<u>\$ 10,446</u>

NOTES TO FINANCIAL STATEMENTS

The recognized premium tax credit receivable was based on an undiscounted receivable of \$12,644,000, a discount rate of 3.5% and the following assumptions:

Name of the insolvency	Recoverables		
	Number of jurisdictions	Range of years	Weighted average number of years
Penn Treaty Network America Insurance Company and American Network Insurance Company	1	2-11	6

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, along with the BCBSA and all of the other BCBSA licensees, has been named as a defendant in multiple suits that make up the Blue Cross Blue Shield Antitrust Litigation. This matter is part of a multi-district litigation combining several anti-trust cases that challenge the exclusive service areas outlined in the BCBSA license agreements. The Company has been cooperating in the joint defense with the BCBSA. These cases are pending in the U.S. District Court for the Northern District of Alabama. The Company has retained its own independent counsel to defend these cases; however, it is unable to predict the outcome of the matter or to reasonably estimate a range of possible loss.

The Company insures individuals and provides administrative services to non-risk groups with members who are qualified Medicare beneficiaries. 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. As a result, CFMI and GHMSI recorded a liability of \$4,800,000 payable to CMS at December 31, 2012, of which \$1,143,000 was recorded by the Company. The liability was subsequently adjusted in 2013 and 2014 after the Company completed its review of the claims data related to this liability. As of December 31, 2014, the balance of the liability is \$1,261,000, 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 February 10, 2015, the Maryland Insurance Commissioner issued an order instructing GHMSI that it may not distribute or reduce its surplus in response to an order of the District of Columbia without his express permission, which had not been granted. On June 10, 2015, the Virginia State Corporation Commission issued an order instructing GHMSI that it may not distribute or reduce its surplus in response to an order of the District of Columbia without its express permission, which had not been granted. The Virginia State Corporation Commission reiterated this position in a second order issued on October 10, 2016.

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.

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, and a federal ruling as to which of the conflicting state orders takes precedence over the others.

On August 30, 2016, the DISB issued a third order, in which GHMSI was ordered to distribute \$51,325,000 in rebates to subscribers within 120 days. GHMSI filed a motion for reconsideration and for a stay on September 22, 2016, and a protective appeal to the District of Columbia Court of Appeals on September 27, 2016. On October 19, 2016, the Court of Appeals ordered the appeal to be held in abeyance until resolution of the proceedings before the Commissioner.

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, combine to create uncertainty of the outcome of the timing and amount of any potential payment. However, according to statutory accounting guidance, the DISB order issued on August 30, 2016 is considered a judgment rendered by a court. Under statutory accounting guidance, when a judgment is rendered by a court, a liability is required to be accrued. Therefore as of December 31, 2016, GHMSI recorded a liability of \$51,325,000, which is the amount stated in the DISB order issued on August 30, 2016. The amount was recorded as a

NOTES TO FINANCIAL STATEMENTS

reduction to earned premiums. There have been no adjustments to this liability since December 31, 2016. GHMSI will continue to monitor the developments in this matter which may require a reconsideration of whether a different estimated loss 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**

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 nine months ended September 30, 2017 and 2016 (*in thousands*):

	September 30	
	2017	2016
Gross reimbursement for medical costs incurred	\$ 702,440	\$ 655,247
Gross administrative fees accrued	47,842	43,096
Gross expenses incurred	(758,446)	(706,223)
Operating loss, before stop loss	\$ (8,164)	\$ (7,880)
Stop loss, net	6,884	8,770
Proforma operating (loss) gain	\$ (1,280)	\$ 890

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

The membership of uninsured ASC plans for the period ended September 30, 2017 and 2016 were 224,000 and 212,000, respectively.

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:

NOTES TO FINANCIAL STATEMENTS

- 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 nine months ended September 30, 2017.

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 and are actively traded are classified as Level 1. 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.

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 September 30, 2017
Assets				
Common stocks				
Large capital equity index funds	\$ 17,675	\$ 18,477	\$ –	\$ 36,152
Small capital equity index funds	7,272	6,334	–	13,606
International equity index funds	7,142	9,406	–	16,548
Publicly-traded fixed income index fund (a)	–	28,950	–	28,950
Privately held equity securities	–	–	3,785	3,785
Total common stocks	32,089	63,167	3,785	99,041
Total assets measured and reported at fair value	\$ 32,089	\$ 63,167	\$ 3,785	\$ 99,041

(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, 2017	\$ 3,827
Losses recognized in capital and surplus—statutory-basis	(42)
Ending balance at September 30, 2017	<u>\$ 3,785</u>

NOTES TO FINANCIAL STATEMENTS

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 September 30, 2017	Admitted Assets as of September 30, 2017
Bonds	\$ 93,311	\$ 360,580	\$ —	\$ 453,891	\$ 450,398
Common stocks	32,089	63,167	3,785	99,041	99,041
Total assets at fair value	<u>\$ 125,400</u>	<u>\$ 423,747</u>	<u>\$ 3,785</u>	<u>\$ 552,932</u>	<u>\$ 549,439</u>

As of September 30, 2017, 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 a result of the 2017 HIF moratorium, there is no HIF expense in 2017. As of September 30, 2016, the Company recorded the HIF of \$60,769,000, 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

- (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 September 30, 2017.
- (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 (ILS) Contracts

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, any reinsurance amounts assumed by the Company represent FirstCare's obligations from run-out activities.

NOTES TO FINANCIAL STATEMENTS

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 nine months ended September 30, 2017 and 2016 (*in thousands*):

	September 30	
	2017	2016
Premiums assumed	\$ 27,968	\$ 25,724
Premiums ceded	(59,338)	(75,201)
Premiums, net	(31,370)	(49,477)
Cost of care assumed	16,014	17,870
Cost of care ceded	(52,020)	(59,340)
Cost of care, net	(36,006)	(41,470)
General and administrative expenses assumed, net	(6,700)	(10,404)
Net loss ceded	\$ 11,336	\$ 2,397

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.

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

	Other				Total
	Individual	Small Group Employer	Large Group Employer	Categories with Rebates	
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ –	\$ 3,460	\$ –	\$ –	\$ 3,460
(2) Medical loss ratio rebates paid	–	–	–	–	–
(3) Medical loss ratio rebates unpaid	–	3,460	–	–	3,460
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	1,167
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 2,293
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ –	\$ 3,624	\$ –	\$ –	\$ 3,624
(8) Medical loss ratio rebates paid	–	2,244	–	–	2,244
(9) Medical loss ratio rebates unpaid	–	4,840	–	–	4,840
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	590
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 4,250

The ceded amounts above are under the Company's reinsurance contract with CFMI (refer to Note 23).

NOTES TO FINANCIAL STATEMENTS

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.

2. Impact of Risk-Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue for the nine months ended September 30, 2017 (*in thousands*):

a. Permanent ACA Risk Adjustment Program		
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment	\$	104,436
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		96
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		62,018
5. Reported in expenses as ACA risk adjustment user fees incurred		102
b. Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$	5,386
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)		–
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		–
5. Ceded reinsurance premiums payable due to ACA Reinsurance		–
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance		–
Operations (Revenue & Expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance		–
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		(561)
9. ACA Reinsurance contributions – not reported as ceded premium		–
c. Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premium due from ACA Risk Corridors	\$	–
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		603
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		483

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

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			
	1	2	3	4	5	6	7	8	9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ 91,520	\$ -	\$ 49,102	\$ -	\$ 42,418	\$ -	\$ (7,572)	\$ -	A	\$ 34,846	\$ -
2. Premium adjustments (payable)	-	-	-	-	-	-	-	-	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	91,520	-	49,102	-	42,418	-	(7,572)	-		34,846	-
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	25,314	-	21,996	-	3,318	-	2,068	-	C	5,386	-
2. Amounts recoverable for claims unpaid (contra liability)	2,629	-	-	-	2,629	-	(2,629)	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	-	2,594	-	2,594	-	-	-	-	F	-	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	27,943	2,594	21,996	2,594	5,947	-	(561)	-		5,386	-
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	9	-	9	-	-	-	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	120	-	-	-	120	-	483	J	-	603
3. Subtotal ACA Risk Corridors Program	9	120	9	-	-	120	-	483		-	603
d. Total for ACA Risk Sharing Provisions	\$ 119,472	\$ 2,714	\$ 71,107	\$ 2,594	\$ 48,365	\$ 120	\$ (8,133)	\$ 483		\$ 40,232	\$ 603

Explanations of Adjustments:

- A. True-up to reflect the 2016 actual based upon the risk adjustment results published by HHS.
- B. Not applicable.
- C. Include run-out claims through 3/31/2017.
- 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. True-up of year-end estimate.

On July 25, 2017 the Commissioner of Maryland Insurance Administration issued an Administrative Order prohibiting Evergreen Health, Inc. (Evergreen) from making any disbursement, payment or transfer of assets, or issuing or renewing any insurance policies, without the prior approval of the Commissioner. On July 31, 2017, the Circuit Court for Baltimore City issued a Court Order formally placing Evergreen into receivership. As of September 30, 2017, the Company has a risk adjustment receivable due from CMS related to an uncollected risk adjustment payable from Evergreen of \$12,724,000 for the 2016 and 2015 benefit years. As a result of the Court Order placing Evergreen into receivership, the Company recorded an allowance against the entire receivable balance due from Evergreen.

NOTES TO FINANCIAL STATEMENTS

4. Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit 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		Ref	Unsettled Balances as of the Reporting Date		
	1	2	3	4	Accrued Less Payments (Col1-3)	Accrued Less Payments (Col2-4)	Balances	Balances		Cumulative Balance (Col1-3+7)	Cumulative Balance (Col2-4+8)	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)	
2014	Accrued Retrospective premium	\$ 9	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	A	\$ -	\$ -
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	B	-	-
2015	Accrued Retrospective premium	-	-	-	-	-	-	-	-	C	-	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	D	-	-
2016	Accrued Retrospective premium	-	-	-	-	-	-	-	-	E	-	-
	Reserve for rate credits or policy experience rating refunds	-	120	-	-	120	-	483	-	F	-	603
Total for Risk Corridors		\$ 9	\$ 120	\$ 9	\$ -	\$ 120	\$ -	\$ 483			\$ -	\$ 603

Explanations of Adjustments:

- A. Not applicable.
B. Not applicable.
C. Not applicable.
D. Not applicable.
E. Not applicable.
F. True-up of year-end estimate.

5. ACA Risk Corridors Receivable as of Reporting Date (in thousands):

Risk Corridors Program Year:	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 = 1 (-) 2 (-) 3 Asset Balance (Gross of Non-admissions)	5 Non-admitted Amount	6 = 4 (-) 5 Net Admitted Asset
2014	\$ 1,022	\$ 861	\$ 161	\$ -	\$ -	\$ -
2015	3,750	3,750	-	-	-	-
2016	13,528	13,528	-	-	-	-
Total	\$ 18,300	\$ 18,139	\$ 161	\$ -	\$ -	\$ -

25. Change in Incurred Claims and Claim Adjustment Expenses

As of September 30, 2017, \$268,231,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$8,569,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$13,800,000 favorable prior year development since December 31, 2016 to September 30, 2017, which includes a \$11,033,000 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.

NOTES TO FINANCIAL STATEMENTS

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserve

1. Liability carried for premium deficiency reserves: \$330,000 within aggregate health policy reserves
2. Date of the most recent evaluation of this liability: September 30, 2017
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 [X] No []
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [X] 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).
- 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
Prior Year-End
Book/Adjusted
Carrying Value | 2
Current Quarter
Book/Adjusted
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 | \$ 453,073,427 | \$ 463,934,600 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$ 453,073,427 | \$ 463,934,600 |
| 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 [X] 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 [X]

- 17.4 If yes, give full information relating thereto:

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

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

1 Name of Firm or Individual	2 Affiliation
Vanguard	U.....
Dodge & Cox	U.....
T. Rowe Price	U.....
CareFirst (internally managed)	I.....

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [] No [X]

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [] No [X]

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
15958	Vanguard	54930002789CX3LOCJP65	SEC	NO.....
104596	Dodge & Cox	549300SV2H1B7EJR0U84	SEC	NO.....
105496	T. Rowe Price	7HTL8AEQSEDX602FBU63	SEC	NO.....

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

- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent89.6 %

1.2 A&H cost containment percent1.4 %

1.3 A&H expense percent excluding cost containment expenses9.9 %

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
NONE								

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

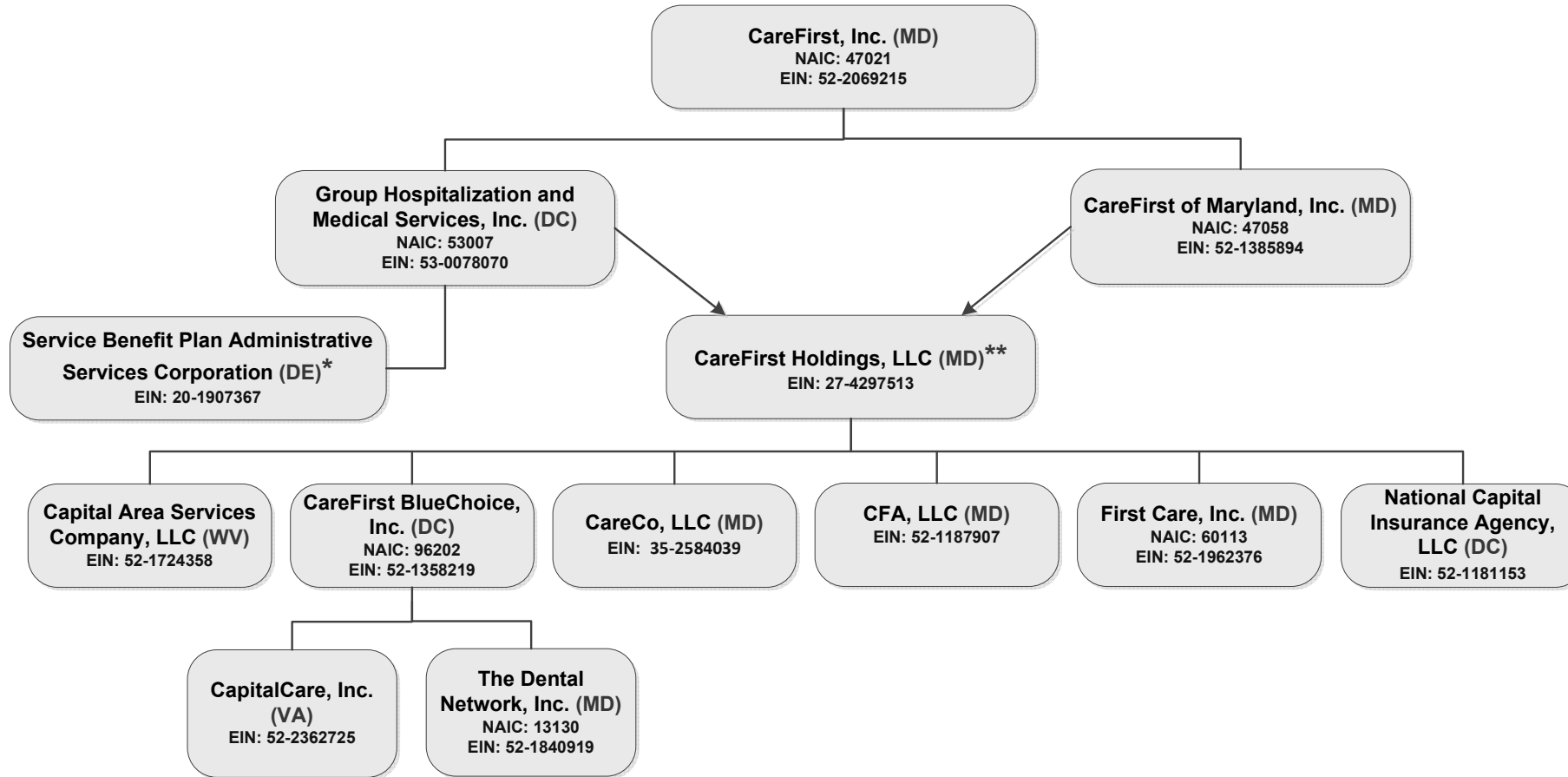
1 States, etc.	Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 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	401,353,252	0	0	294,136,956	0	0	695,490,208	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	297,135,906	0	0	701,945,391	0	0	999,081,297	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	296,467,032	0	0	545,957,526	0	0	842,424,558	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	994,956,190	0	0	1,542,039,874	0	0	2,536,996,064	0	
60. Reporting Entity Contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0	
61. Totals (Direct Business)	(a) 3	994,956,190	0	0	1,542,039,874	0	0	2,536,996,064	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 Medicare Supplement, Stop Loss, and the Federal Employees Dental/Vision Program (FEDVIP) of \$2,734,990, \$3,665,211 and \$17,813,949 respectively.

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



15

*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 SEPTEMBER 30, 2017 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	16
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	Domi-ciliary Loca-tion	Relation-ship 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 Percen-tage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Re-quired? (Y/N)	*
.0380	Carefirst Inc Group	47021	52-2069215				CareFirst, Inc.	MD	IA			0.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	53007	53-0078070				Group Hospitalization and Medical Services, Inc.	DC	RE	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	47058	52-1385894				CareFirst of Maryland, Inc.	MD	IA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	N	
		.00000	20-1907367				Service Benefit Plan Administrative Services Corporation	DE	DS	Group Hospitalization and Medical Services, Inc.	Ownership	90.000	CareFirst, Inc.	N	
		.00000	27-4297513				CareFirst Holdings, LLC	MD	NIA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	N	
		.00000	52-1724358				Capital Area Services Company, LLC	WV	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	96202	52-1358219				CareFirst BlueChoice, Inc.	DC	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
		.00000	52-1187907				CFA, LLC	MD	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	60113	52-1962376				First Care, Inc.	MD	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
		.00000	52-1118153				National Capital Insurance Agency, LLC	DC	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
		.00000	35-2584039				CareCo, LLC	MD	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
		.00000	52-2362725				CapitalCare, Inc.	VA	NIA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	13130	52-1840919				The Dental Network, Inc.	MD	IA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	N	

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	2,283,321	0	2,283,321	2,611,060
2305. Tax Contingency Reserve	756,814	0	756,814	987,233
2306. Other Liabilities	4,640,618	0	4,640,618	4,641,868
2397. Summary of remaining write-ins for Line 23 from overflow page	7,680,753	0	7,680,753	8,240,161

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 premium 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	453,240,094	458,316,784
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)	10,861,173	(5,076,690)
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)	464,101,267	453,240,094
12. Deduct total nonadmitted amounts	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12)	463,934,600	453,073,427

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	524,760,321	540,543,345
2. Cost of bonds and stocks acquired	450,984,589	520,320,058
3. Accrual of discount	116,307	195,508
4. Unrealized valuation increase (decrease)	(1,087,986)	4,418,328
5. Total gain (loss) on disposals	12,136,246	5,701,642
6. Deduct consideration for bonds and stocks disposed of	435,848,613	543,632,910
7. Deduct amortization of premium	1,621,975	2,785,651
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)	549,438,889	524,760,321
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	549,438,889	524,760,321

STATEMENT AS OF SEPTEMBER 30, 2017 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
BONDS								
1. NAIC 1 (a)	363,184,179	340,415,424	266,189,401	156,600	418,030,000	363,184,179	437,566,802	388,812,225
2. NAIC 2 (a)	110,732,110	9,083,935	10,665,918	(1,693,650)	105,767,614	110,732,110	107,456,477	106,821,810
3. NAIC 3 (a)	329,582	0	336,635	1,121,356	333,716	329,582	1,114,303	0
4. NAIC 4 (a)	613,509	0	0	(2,311)	615,811	613,509	611,198	1,040,904
5. NAIC 5 (a)	0	0	0	0	0	0	0	0
6. NAIC 6 (a)	0	0	0	0	0	0	0	0
7. Total Bonds	474,859,380	349,499,359	277,191,954	(418,005)	524,747,141	474,859,380	546,748,780	496,674,939
PREFERRED STOCK								
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	474,859,380	349,499,359	277,191,954	(418,005)	524,747,141	474,859,380	546,748,780	496,674,939

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$ 96,350,608 ; 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	81,601,932	xxx	81,602,496	440,796	17,748

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	83,730,498	75,822,130
2. Cost of short-term investments acquired	249,350,437	464,014,976
3. Accrual of discount	118	62
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	4,428
6. Deduct consideration received on disposals	251,457,946	456,095,550
7. Deduct amortization of premium	21,175	15,548
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)	81,601,932	83,730,498
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	81,601,932	83,730,498

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)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of cash equivalents acquired	15,298,677	0
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	0	0
7. Deduct amortization of premium	0	0
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)	15,298,677	0
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	15,298,677	0

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 SEPTEMBER 30, 2017 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)
36179S-20-9	GNMA PASS-THRU M SINGLE FAMILY		09/01/2017	SALOMON SMITH BARNEY INC/SAL		895,855	851,485	1,892	1
36179S-JV-0	GNMA PASS-THRU M SINGLE FAMILY		09/14/2017	SALOMON SMITH BARNEY INC/SAL		545,830	510,271	1,276	1
36179S-WZ-6	GNMA PASS-THRU M SINGLE FAMILY		09/01/2017	JP MORGAN SECURITIES INC		534,930	503,982	1,260	1
36179S-YU-5	GNMA PASS-THRU M SINGLE FAMILY		09/01/2017	JP MORGAN SECURITIES INC		828,741	780,795	1,952	1
36179T-AL-9	GNMA PASS-THRU M SINGLE FAMILY		09/07/2017	CREDIT SUISSE FIRST BOSTON COR		1,108,139	1,048,738	2,331	1
36179T-E4-3	GNMA PASS-THRU M SINGLE FAMILY		09/15/2017	VARIOUS		69,597	64,824	180	1
36179T-G6-6	GNMA PASS-THRU M SINGLE FAMILY		09/19/2017	CANTOR FITZGERALD & CO		588,156	550,000	1,788	1
36179T-G7-4	GNMA PASS-THRU M SINGLE FAMILY		09/19/2017	VARIOUS		85,988	80,000	222	1
38378B-E2-1	GNMA REMIC TRUST 2012-114		09/25/2017	FIRST TENN BANK N.A.-BOND D		469,444	482,409	760	1
38379R-Y9-8	GNMA REMIC TRUST 2017-128		08/16/2017	FIRST TENN BANK N.A.-BOND D		1,996,406	2,000,000	4,189	1
912810-QA-9	UNITED STATES TREAS BDS		09/20/2017	GOLDMAN, SACHS & CO.		432,324	380,000	1,373	1
912810-RU-4	UNITED STATES TREAS BDS		08/03/2017	VARIOUS		4,894,973	4,850,000	29,031	1
912810-RV-2	UNITED STATES TREAS BDS		09/25/2017	LINSCO/PRIVATE LEDGER CORP. RE		24,966,406	24,000,000	148,923	1
912810-RX-8	UNITED STATES TREAS BDS		09/25/2017	VARIOUS		30,182,109	29,000,000	259,728	1
912810-RY-6	UNITED STATES TREAS BDS		09/21/2017	VARIOUS		19,775,977	20,000,000	42,969	1
912828-2K-5	UNITED STATES TREAS NTS		08/22/2017	VARIOUS		2,101,688	2,100,000	1,318	1
912828-2R-0	UNITED STATES TREAS NTS		09/20/2017	LINSCO/PRIVATE LEDGER CORP. RE		10,004,688	10,000,000	22,622	1
912828-2T-6	UNITED STATES TREAS NTS		09/28/2017	VARIOUS		44,866,406	45,000,000	45,062	1
912828-V9-8	UNITED STATES TREAS NTS		08/01/2017	CFG CAPITAL MARKETS LLC		3,001,172	3,000,000	31,326	1
912828-X8-8	UNITED STATES TREAS NTS		08/10/2017	CFG CAPITAL MARKETS LLC		6,066,797	6,000,000	31,946	1
912828-XR-6	UNITED STATES TREAS NTS		07/11/2017	NOMURA SECURITIES/FIX INCOME		1,042,125	1,050,000	2,109	1
0599999. Subtotal - Bonds - U.S. Governments						154,457,751	152,252,504	632,257	XXX
3128MJ-ZU-7	FHLMC PC GOLD COMB 30		08/08/2017	CHASE SECURITIES, INC.		2,541,057	2,367,214	3,847	1
3132WL-T7-1	FHLMC PC GOLD PC 30YR		08/01/2017	NOMURA SECURITIES INTL		646,802	602,728	979	1
3137BW-U3-6	FHLMC REMIC SERIES 4663		08/01/2017	BAIRD, ROBERT W. & CO INC		976,982	975,458	224	1
3137F2-MU-7	FHLMC REMIC SERIES 4707		08/02/2017	BAIRD, ROBERT W. & CO INC		991,719	1,000,000	2,083	1
3140J5-SM-2	FNMA PASS-THRU INT 15 YEAR		08/10/2017	JP MORGAN SECURITIES INC		1,064,475	1,050,118	1,094	1
31418C-NG-5	FNMA PASS-THRU INT 15 YEAR		07/13/2017	BARCLAYS CAPITAL INC		1,212,358	1,180,000	1,672	1
31418C-PK-4	FNMA PASS-THRU INT 15 YEAR		09/01/2017	KGS ALPHA CAPITAL MARKETS, LLC		588,278	570,581	808	1
3138WG-DE-1	FNMA PASS-THRU LNG 30 YEAR		09/01/2017	PIERPONT SECURITIES LLC		76,348	72,336	96	1
3140FE-2P-8	FNMA PASS-THRU LNG 30 YEAR		09/07/2017	BNP PARIBAS SECS CORP/BOND		841,176	794,969	1,060	1
3140J5-FG-9	FNMA PASS-THRU LNG 30 YEAR		09/01/2017	BNP PARIBAS SECS CORP/BOND		348,065	329,480	439	1
31418B-IU-6	FNMA PASS-THRU LNG 30 YEAR		09/01/2017	NOMURA SECURITIES/FIX INCOME		43,986	41,631	56	1
3199999. Subtotal - Bonds - U.S. Special Revenues						9,331,246	8,984,515	12,358	XXX
023135-BD-7	AMAZON COM INC SR GLBL 144A		08/15/2017	JP MORGAN SECURITIES INC		349,129	350,000	.0	1FE
035242-AN-6	ANHEUSER BUSCH INBEV FIN INC		09/11/2017	LINSCO/PRIVATE LEDGER CORP. RE		1,139,400	1,000,000	5,717	2FE
037833-DD-9	APPLE INC		09/05/2017	GOLDMAN, SACHS & CO.		596,574	600,000	.0	1FE
00206R-EK-4	AT&T INC		08/01/2017	JP MORGAN SECURITIES INC		324,948	325,000	.0	2FE
00206R-EP-3	AT&T INC		09/11/2017	LINSCO/PRIVATE LEDGER CORP. RE		995,980	1,000,000	5,150	2FE
10112R-AX-2	BOSTON PPTYS LTD PARTNERSHIP		09/27/2017	PAINE WEBBER		127,603	125,000	735	2FE
12189L-AW-1	BURLINGTON NORTHN SANTA FE CP		09/11/2017	LINSCO/PRIVATE LEDGER CORP. RE		797,378	750,000	14,006	1FE
20030N-BU-4	COMCAST CORP NEW		08/23/2017	LINSCO/PRIVATE LEDGER CORP. RE		137,279	150,000	609	1FE
207597-EG-6	CONNECTICUT LT & PWIR CO		08/08/2017	MIZUHO SECURITIES USA INC		746,293	680,000	9,909	1FE
126408-GK-3	CSX CORP		08/07/2017	FIRST TENN SECURITIES CORP		517,884	400,000	6,765	2FE
126408-HF-3	CSX CORP		08/17/2017	LINSCO/PRIVATE LEDGER CORP. RE		1,931,000	2,000,000	23,433	2FE
31428X-AU-0	FEDEX CORP		09/11/2017	LINSCO/PRIVATE LEDGER CORP. RE		750,263	750,000	12,642	2FE
47760Q-AA-1	JIMMY JOHNS FDG 2017-1 144A		07/01/2017	BARCLAYS CAPITAL INC		45,000	45,000	.0	2AM
46647P-AA-4	JP MORGAN CHASE BANK NA		08/01/2017	LINSCO/PRIVATE LEDGER CORP. RE		2,090,880	2,000,000	38,340	1FE
46647P-AJ-5	JP MORGAN CHASE BANK NA		07/17/2017	CHASE SECURITIES, INC.		240,000	240,000	.0	1FE
49446R-AU-3	KIMCO RLTY CORP		08/01/2017	BANC AMERICA SECURITIES LLC		144,772	145,000	.0	2FE
50077L-AM-8	KRAFT HEINZ FOODS CO		09/27/2017	HSBC SECURITIES, INC.		598,890	550,000	5,879	2FE
55279H-AQ-3	MANUFACTURER AND TRADERS		08/14/2017	JP MORGAN SECURITIES INC		249,915	250,000	.0	1FE
61744Y-AL-2	MORGAN STANLEY		07/19/2017	MORGAN STANLEY		245,000	245,000	.0	1FE
654730-BG-7	NISOURCE FIN CORP		09/05/2017	SALOMON SMITH BARNEY INC/SAL		389,579	390,000	.0	2FE
67103H-AF-4	O REILLY AUTOMOTIVE INC NEW		08/10/2017	BANC AMERICA SECURITIES LLC		269,568	270,000	.0	2FE
68389X-BL-8	ORACLE CORP		08/03/2017	SALOMON SMITH BARNEY INC/SAL		523,955	525,000	5,005	1FE
878091-BD-8	TEACHERS INS & ANNUITY ASSN 144A		09/11/2017	LINSCO/PRIVATE LEDGER CORP. RE		573,100	500,000	12,114	1FE
87246M-AA-0	TICP GLO LTD CMO V-Q 2.433% 144A		07/05/2017	BAIRD, ROBERT W. & CO INC		606,375	600,000	8,924	1FE
907818-EF-1	UNION PAC CORP		07/10/2017	LINSCO/PRIVATE LEDGER CORP. RE		1,551,705	1,500,000	9,788	1FE
92340L-AC-3	VEREIT OPERATING PARTNERSHIP LP		08/08/2017	JP MORGAN SECURITIES INC		258,258	260,000	.0	2FE
92343V-CV-4	VERIZON COMMUNICATIONS INC		07/26/2017	BARCLAYS CAPITAL INC		617,394	645,000	1,225	2FE
92826C-AG-7	VISA INC		09/06/2017	JP MORGAN SECURITIES INC		319,034	320,000	.0	1FE

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STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
94974B-GL-8	WELLS FARGO CO MTN BE		.09/27/2017	BAIRD, ROBERT W. & CO INC		423,232	400,000	3,201	1FE
949746-SK-8	WELLS FARGO CO NEW		.08/03/2017	US BANCORP INVESTMENTS INC		510,260	500,000	.597	1FE
00774M-AB-1	AERCAP IRELAND CAPITAL LIMITED	C.	.07/17/2017	MORGAN STANLEY & CO. INC		278,583	280,000	.0	2FE
055650-DP-0	BP CAP MKTS P L C	C.	.09/14/2017	BANK OF NEW YORK		190,000	190,000	.0	1FE
225401-AD-0	CREDIT SUISSE GROUP	C.	.09/11/2017	CREDIT SUISSE FIRST BOSTON COR		425,000	425,000	.0	2FE
671030-AA-5	OFSI FD LTD 2013-5 144A	D.	.07/11/2017	BAIRD, ROBERT W. & CO INC		500,750	500,000	2,553	1FE
803168-AE-3	SARANAC CLO I LTD 2013-1	C.	.08/01/2017	STIFEL, NICOLAUS & CO., INC.		1,506,000	1,500,000	1,149	1FE
980236-AP-8	WOODSIDE FIN LTD	C.	.09/06/2017	UBS SECURITIES LLC		269,814	270,000	.0	2FE
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						21,240,795	20,680,000	167,741	XXX
8399997. Total - Bonds - Part 3						185,029,792	181,917,019	812,356	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						185,029,792	181,917,019	812,356	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
921943-88-2	VANGUARD DEVELOPED MKTS INDEX INST		.09/20/2017	VANGUARD GROUP	2,791,695	38,944	.0	.0	L
922908-88-4	VANGUARD EXTENDED MKT INDEX INSTL		.09/20/2017	VANGUARD GROUP	214,254	17,025	.0	.0	L
922031-74-5	VANGUARD FIXED INCOME SECS FD		.09/22/2017	VANGUARD GROUP	18,885,349	197,918	.0	.0	L
922908-65-2	VANGUARD INDEX FDS		.08/02/2017	VARIOUS	67,883,000	7,021,189	.0	.0	L
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		.09/22/2017	VANGUARD GROUP	423,225	96,360	.0	.0	L
921943-85-8	VANGUARD TAX MANAGED INTL FD		.08/01/2017	VARIOUS	164,516,000	7,039,099	.0	.0	L
9299999. Subtotal - Common Stocks - Mutual Funds						14,410,535	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						14,410,535	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						14,410,535	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						14,410,535	XXX	0	XXX
9999999 - Totals						199,440,327	XXX	812,356	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

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

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6	7	8	
					First Month	Second Month	Third Month	
SunTrust Bank Nashville, TN		0.000	0	0	(33,908,218)	(31,321,248)	(32,441,310)	XXX
Wells Fargo Bank Roanoke, VA		0.000	0	0	(56,828,791)	(14,191,808)	(58,138,480)	XXX
Bank of New York Mellon Pittsburgh, PA		0.000	0	0	(1)	0	0	XXX
0199998. Deposits in ... 0 depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX	0	0	0	0	0	XXX
0199999. Totals - Open Depositories	XXX	XXX	0	0	(90,737,010)	(45,513,056)	(90,579,790)	XXX
0299998. Deposits in ... 0 depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0299999. Totals - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	(90,737,010)	(45,513,056)	(90,579,790)	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX	0	0	0	XXX
0599999. Total - Cash	XXX	XXX	0	0	(90,737,010)	(45,513,056)	(90,579,790)	XXX

