



HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2014
OF THE CONDITION AND AFFAIRS OF THE

Group Hospitalization and Medical Services, Inc.

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

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

Country of Domicile United States of America

Licensed as business type: HMDI

Is HMO Federally Qualified? Yes [] No []

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

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

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

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

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

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack, 410-998-7011
(Name) (Area Code) (Telephone Number)
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</u> EVP, CFO	<u>Fred Adrian Walton Plumb</u> EVP, SBU - FEP	<u>William Scott Gould</u> EVP, Medical Affairs
<u>Harry Dietz Fox</u> EVP, Technical & Ops Support	<u>Steven Jon Margolis</u> EVP, Small & Medium Group SBU	<u>Wanda Kay Oneferu-Bey</u> EVP, Consumer Direct SBU
<u>Michael Bruce Edwards</u> SVP, Networks Mgmt	<u>Gwendolyn Denise Skillern</u> SVP, General Auditor	<u>Rita Ann Costello</u> SVP, Strategic Marketing
<u>Maria Harris Tildon</u> SVP, Public Policy	<u>Jon Paul Shematek</u> SVP, Chief Medical Officer	<u>Kenny Waitem Kan</u> SVP, Chief Actuary
<u>Jennifer Ann Cryor Baldwin</u> SVP, Patient Centered Medical Home (PCMH)	<u>Michelle Judith Wright</u> SVP, Human Resources	

DIRECTORS OR TRUSTEES

<u>Shirley Marcus Allen</u> #	<u>Clifford Edward Barnes</u> #	<u>Faye Ford Fields</u>
<u>Artis Gail Hampshire-Cowan</u>	<u>Polly Povejsil Heath</u> #	<u>Bernard Keith Jarvis</u>
<u>Wendell Lee Johns</u>	<u>Robert Carl Kovarik Jr.</u> #	<u>Jack Allan Meyer</u>
<u>Beverly Lee Perry</u> #	<u>Elena Victoria Rios</u>	<u>Patricia Amelia Rodriguez</u>
<u>Robert Lee Sloan</u>		

State of Maryland SS:
County of Baltimore

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

Chester Emerson Burrell
President and Chief Executive Officer

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

Jeanne Ann Kennedy
Corp. Treasurer & VP

Subscribed and sworn to before me this 16TH day of AUGUST 2014
Cynthia L. Kipp

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



STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	521,223,571	0	521,223,571	511,476,700
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	144,229,312	0	144,229,312	121,819,719
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 (\$(98,110,400)), cash equivalents (\$0) and short-term investments (\$127,873,170)	29,762,770	0	29,762,770	5,226,484
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	445,696,430	166,667	445,529,763	435,518,247
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)	1,140,912,083	166,667	1,140,745,416	1,074,041,150
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	4,108,756	0	4,108,756	3,883,879
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	240,451,210	6,337,499	234,113,711	231,616,283
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	5,440,000	0	5,440,000	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	9,914,080	0	9,914,080	16,926,028
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	1,044,368	0	1,044,368	846,884
17. Amounts receivable relating to uninsured plans	53,121,261	1,825,663	51,295,598	64,824,219
18.1 Current federal and foreign income tax recoverable and interest thereon	13,970,114	0	13,970,114	11,858,431
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	147,034,970	128,618,931	18,416,039	13,905,916
21. Furniture and equipment, including health care delivery assets (\$0)	6,552,773	6,552,773	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	22,009,228	0	22,009,228	10,932,605
24. Health care (\$111,042,681) and other amounts receivable	790,689,274	13,057,175	777,632,099	785,996,334
25. Aggregate write-ins for other than invested assets	100,348,725	99,133,536	1,215,189	1,215,189
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,535,596,842	255,692,244	2,279,904,598	2,216,046,918
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	2,535,596,842	255,692,244	2,279,904,598	2,216,046,918
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. Other Assets	1,215,189	0	1,215,189	1,215,189
2502. Prepaid Expenses - Non-Admitted	49,567,024	49,567,024	0	0
2503. Pension- Prepaid	49,566,512	49,566,512	0	0
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)	100,348,725	99,133,536	1,215,189	1,215,189

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$11,231,605 reinsurance ceded)	284,359,830	13,300,761	297,660,591	252,665,668
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	10,439,329	488,293	10,927,622	10,176,470
4. Aggregate health policy reserves, including the liability of \$8,217 for medical loss ratio rebate per the Public Health Service Act	667,537,635	0	667,537,635	681,174,397
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	45,020,384	0	45,020,384	50,122,646
9. General expenses due or accrued	131,077,234	0	131,077,234	75,312,788
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized gains (losses))	0	0	0	0
10.2 Net deferred tax liability	23,985,826	0	23,985,826	22,352,282
11. Ceded reinsurance premiums payable	11,004,888	0	11,004,888	24,778,236
12. Amounts withheld or retained for the account of others	30,928,421	0	30,928,421	32,978,186
13. Remittances and items not allocated	27,725,153	0	27,725,153	1,898,216
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	74,376,994	0	74,376,994	59,913,386
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	18,965,797	0	18,965,797	16,774,834
23. Aggregate write-ins for other liabilities (including \$4,111,925 current)	46,348,079	0	46,348,079	53,148,334
24. Total liabilities (Lines 1 to 23)	1,371,769,570	13,789,054	1,385,558,624	1,281,295,443
25. Aggregate write-ins for special surplus funds	XXX	XXX	35,000,000	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	859,345,973	934,751,475
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	894,345,973	934,751,475
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,279,904,597	2,216,046,918
DETAILS OF WRITE-INS				
2301. Amounts Withheld for Escheatment	9,388,825	0	9,388,825	9,095,548
2302. Reinsurance Payable	982,317	0	982,317	810,113
2303. Other Liabilities	35,976,937	0	35,976,937	43,242,673
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	46,348,079	0	46,348,079	53,148,334
2501. Special Surplus 2015 HIT Fee	XXX	XXX	35,000,000	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	35,000,000	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	4,649,587	4,550,496	8,972,558
2. Net premium income (including \$ 0 non-health premium income)	XXX	1,617,400,177	1,553,585,669	3,095,809,333
3. Change in unearned premium reserves and reserve for rate credits	XXX	13,671,835	1,502,382	45,946,685
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	5,292,360	6,816,151	16,385,253
7. Aggregate write-ins for other non-health revenues	XXX	2,438,846	1,389,012	3,729,154
8. Total revenues (Lines 2 to 7)	XXX	1,638,803,218	1,563,293,214	3,161,870,425
Hospital and Medical:				
9. Hospital/medical benefits	42,887,692	1,013,325,332	1,069,170,278	1,919,761,619
10. Other professional services	1,741,313	94,511,514	53,768,244	183,863,497
11. Outside referrals	20,926,589	20,926,589	12,335,886	40,786,618
12. Emergency room and out-of-area	1,092,379	36,353,902	23,648,598	69,411,341
13. Prescription drugs	0	326,411,951	293,220,113	709,848,954
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)	66,647,973	1,491,529,288	1,452,143,119	2,923,672,029
Less:				
17. Net reinsurance recoveries	0	57,118,485	65,233,181	124,297,746
18. Total hospital and medical (Lines 16 minus 17)	66,647,973	1,434,410,803	1,386,909,938	2,799,374,283
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$ 30,095,438 cost containment expenses	0	71,190,864	72,025,343	144,404,857
21. General administrative expenses	0	199,027,980	120,611,486	253,957,314
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)	66,647,973	1,704,629,647	1,579,546,767	3,197,736,454
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(65,826,429)	(16,253,553)	(35,866,029)
25. Net investment income earned	0	8,234,089	5,928,185	14,209,056
26. Net realized capital gains (losses) less capital gains tax of \$ 1,493,315	0	5,973,261	16,173,746	19,759,606
27. Net investment gains (losses) (Lines 25 plus 26)	0	14,207,350	22,101,931	33,968,662
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	224,294	88,818	340,974
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	(51,394,785)	5,937,196	(1,556,393)
31. Federal and foreign income taxes incurred	XXX	(3,773,315)	(2,377,526)	(10,539,059)
32. Net income (loss) (Lines 30 minus 31)	XXX	(47,621,470)	8,314,722	8,982,666
DETAILS OF WRITE-INS				
0601. FEP Performance Incentive	XXX	5,239,717	6,769,000	16,268,743
0602. Trigon network fee - Med D	XXX	46,161	47,151	91,098
0603. Med D admin Reimbursement	XXX	6,482	0	25,412
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	5,292,360	6,816,151	16,385,253
0701. FEP Bridge	XXX	2,438,846	1,389,012	3,729,154
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	2,438,846	1,389,012	3,729,154
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	222,748	80,370	498,308
2902. Regulatory fines and fees	0	1,546	8,448	(157,334)
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	224,294	88,818	340,974

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.....	934,751,475	941,070,954	941,070,954
34. Net income or (loss) from Line 32	(47,621,470)	8,314,722	8,982,666
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 \$537,337	11,009,429	11,501,398	30,090,730
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	(1,096,205)	(5,909,308)	(11,798,087)
39. Change in nonadmitted assets	(2,697,199)	(12,135,302)	(4,346,501)
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	(1,696,000)	(2,174,001)
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	0	(27,074,286)
48. Net change in capital & surplus (Lines 34 to 47)	(40,405,445)	75,510	(6,319,479)
49. Capital and surplus end of reporting period (Line 33 plus 48)	894,346,030	941,146,464	934,751,475
DETAILS OF WRITE-INS			
4701. Change in additional liability\Intangible Assets for pension	0	0	(27,119,941)
4702. Miscellaneous	0	0	45,655
4703.	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	(27,074,286)

STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

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	1,588,198,983	1,541,199,064	3,110,022,104
2. Net investment income	10,053,946	9,651,218	20,817,591
3. Miscellaneous income	7,731,206	8,205,163	20,114,407
4. Total (Lines 1 to 3)	1,605,984,135	1,559,055,445	3,150,954,102
5. Benefit and loss related payments	1,371,571,366	1,363,313,646	2,787,931,991
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	172,152,967	198,647,163	380,234,261
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 1,493,315 tax on capital gains (losses)	(168,319)	(76,726)	(8,820,159)
10. Total (Lines 5 through 9)	1,543,556,014	1,561,884,083	3,159,346,093
11. Net cash from operations (Line 4 minus Line 10)	62,428,121	(2,828,638)	(8,391,991)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	365,302,074	407,824,944	750,487,050
12.2 Stocks	25,831,293	94,754,836	126,886,308
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	5,007	0	9,628
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	391,138,374	502,579,780	877,382,986
13. Cost of investments acquired (long-term only):			
13.1 Bonds	374,006,451	404,996,897	717,279,295
13.2 Stocks	42,331,293	41,577,978	52,078,892
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)	416,337,744	446,574,875	769,358,187
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)	(25,199,370)	56,004,905	108,024,799
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)	(12,692,410)	(38,726,894)	(57,346,538)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(12,692,410)	(38,726,894)	(57,346,538)
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)	24,536,341	14,449,373	42,286,270
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	5,226,484	(37,059,786)	(37,059,786)
19.2 End of period (Line 18 plus Line 19.1)	29,762,825	(22,610,413)	5,226,484

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

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STATEMENT AS OF JUNE 30, 2014 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	728,464	52,013	233,063	6,845	12,417	24,338	370,878	.0	.0	28,910
2. First Quarter	772,097	62,792	239,603	8,099	12,727	50,699	368,108	.0	.0	30,069
3. Second Quarter	780,736	72,202	239,290	8,376	12,868	51,304	366,891	.0	.0	29,805
4. Third Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	4,649,587	392,678	1,434,748	49,056	76,841	304,521	2,210,924	0	0	180,819
Total Member Ambulatory Encounters for Period:										
7. Physician	4,468,562	167,007	834,327	55,686	.0	.0	3,411,542	.0	.0	.0
8. Non-Physician	1,697,409	78,805	296,041	17,535	0	0	1,305,028	0	0	0
9. Total	6,165,971	245,812	1,130,368	73,221	0	0	4,716,570	0	0	0
10. Hospital Patient Days Incurred	88,403	4,364	19,545	2,344	0	0	62,150	0	0	0
11. Number of Inpatient Admissions	19,929	1,159	5,602	522	0	0	12,646	0	0	0
12. Health Premiums Written (a)	1,680,014,730	99,010,195	610,812,540	9,757,872	2,662,332	30,789,450	921,764,238	.0	.0	5,218,103
13. Life Premiums Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Property/Casualty Premiums Written .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Health Premiums Earned	1,693,651,493	99,010,195	610,804,324	9,757,872	2,662,332	30,789,450	935,409,217	.0	.0	5,218,103
16. Property/Casualty Premiums Earned .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Amount Paid for Provision of Health Care Services.....	1,446,212,081	75,520,383	483,429,528	7,682,272	2,160,067	23,572,887	853,151,506	.0	.0	695,438
18. Amount Incurred for Provision of Health Care Services	1,491,529,287	86,560,180	507,294,396	7,768,073	2,160,067	22,788,087	862,276,229	0	0	2,682,255

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

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	77,009,145	447,591,382	4,968,907	104,523,272	81,978,052	74,595,003
2. Medicare Supplement	2,551,413	9,441,068	125,689	2,796,850	2,677,102	3,099,707
3. Dental Only	2,938,925	14,512,542	169,512	2,398,324	3,108,437	3,278,185
4. Vision Only	0	1,881,256	0	0	0	0
5. Federal Employees Health Benefits Plan	156,229,964	696,921,541	11,807,036	162,338,462	168,037,000	165,020,774
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	639,324	4,054,429	5,939,500	2,593,039	6,578,824	6,671,997
9. Health subtotal (Lines 1 to 8)	239,368,771	1,174,402,218	23,010,644	274,649,947	262,379,415	252,665,666
10. Healthcare receivables (a)	0	24,355,109	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)	239,368,771	1,150,047,109	23,010,644	274,649,947	262,379,415	252,665,666

(a) Excludes \$ 96,034,582 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

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

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

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

For the six months ended June 30, 2014 and the year ended December 31, 2013, there were no differences in net (loss) income and surplus between NAIC SAP and practices prescribed by the District of Columbia.

		<i>(in thousands)</i>	
	State of Domicile	June 30, 2014	December 31, 2013
NET (LOSS) INCOME			
(1) State basis (Page 4, Line 32, Columns 2 & 3)	DC	\$ (47,621)	\$ 8,983
(2) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(4) NAIC SAP (1-2-3=4)	DC	<u>\$ (47,621)</u>	<u>\$ 8,983</u>
SURPLUS			
(5) State basis (Page 3, Line 33, Columns 3 & 4)	DC	\$ 894,346	\$ 934,751
(6) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(8) NAIC SAP (5-6-7=8)	DC	<u>\$ 894,346</u>	<u>\$ 934,751</u>

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

No change.

C. Accounting Policy

No change.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

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

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-Backed Securities

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed securities are obtained from broker survey values. The Company uses IDC to determine the fair value for such securities.
- (2) The Company does not have any mortgage-backed/other asset-backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended June 30, 2014, the Company did not recognize other than temporary impairment in mortgage-backed/other asset-backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities. At June 30, 2014, the Company did not hold any mortgage-backed or other asset-backed securities where the present value of cash flows expected to be collected

NOTES TO FINANCIAL STATEMENTS

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
June 30, 2014					
Government sponsored enterprise mortgage-backed securities	\$ 9,514	\$ 122	\$ 37,502	\$ 1,615	\$ 1,737
Other mortgage-backed and asset-backed securities	2,722	13	18,567	298	311
Total	<u>\$ 12,236</u>	<u>\$ 135</u>	<u>\$ 56,069</u>	<u>\$ 1,913</u>	<u>\$ 2,048</u>

- (5) No change.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits (LIHTC)

None.

H. Restricted Assets

None.

I. Working Capital Finance Investments

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. – B. No change.

7. Investment Income

A. – B. No change.

8. Derivative Instruments

None.

9. Income Taxes

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

The 833(b) deduction results in the Company incurring income taxes at the Tentative Minimum Tax rate of 20%. As a result, the Company's income tax provision is reduced from the statutory rate of 35% to account for the benefit of the 833(b) deduction. The Company could lose the benefit of the 833(b) deduction in the future if there is a change in the tax law, if the Company ceases to be not-for-profit, if the Company's reserves reach certain levels, if the medical loss ratio does not exceed 85% as required under the Health Reform Legislation, or if certain other events occur. If the Company can no longer use the 833(b) deduction, the Company will incur federal income taxes at the statutory rate of 35%, net of available Alternative Minimum Tax (AMT) credits.

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

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

NOTES TO FINANCIAL STATEMENTS

subject to federal income taxes.

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

	June 30, 2014			December 31, 2013			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	152,996	26,086	179,082	156,848	25,611	182,459	(3,852)	475	(3,377)
Statutory valuation allowance adjustment	115,975	-	115,975	118,184	-	118,184	(2,209)	-	(2,209)
Adjusted gross deferred tax assets	37,021	26,086	63,107	38,664	25,611	64,275	(1,643)	475	(1,168)
Deferred tax assets nonadmitted	20,525	324	20,849	21,838	324	22,162	(1,313)	-	(1,313)
Subtotal net admitted deferred tax asset	16,496	25,762	42,258	16,826	25,287	42,113	(330)	475	145
Deferred tax liabilities	870	65,375	66,245	1,157	63,308	64,465	(287)	2,067	1,780
Net admitted deferred tax asset/(liability)	15,626	(39,613)	(23,987)	15,669	(38,021)	(22,352)	(43)	(1,592)	(1,635)

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

	June 30, 2014			December 31, 2013			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets from a. above) After application of the Threshold Limitation. (Lesser of b.i. and b.ii. Below)	10,040	-	10,040	11,040	-	11,040	(1,000)	-	(1,000)
i. Adjusted gross DTA expected to be realized following the Balance Sheet Date	10,040	-	10,040	11,040	-	11,040	(1,000)	-	(1,000)
ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	NA	NA	131,389	NA	NA	140,213	NA	NA	(8,824)
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above) Offset by Gross Deferred Tax Liabilities.	6,456	25,762	32,218	5,786	25,287	31,073	670	475	1,145
Deferred Tax Asset Admitted as the result of application of SSAP No. 101 Total (a.+b.+c.)	\$ 16,496	\$ 25,762	\$ 42,258	\$ 16,826	\$ 25,287	\$ 42,113	\$ (330)	\$ 475	\$ 145

	6/30/2014	12/31/2013
Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	932%	932%
Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation	875,930	934,751

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

	June 30, 2014			12/31/2013			Change		
	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent
Adjusted Gross DTAs	37,021	26,086	63,107	38,664	25,611	64,275	(1,643)	475	(1,168)
Percentage of Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net Admitted Adjusted Gross DTAs	16,496	25,762	42,258	16,826	25,287	42,113	(330)	475	145
Percentage of Net Admitted Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

The (benefit)/provision for income taxes on earnings for the quarters ended June 30, 2014 and 2013 and year ended December 31, 2013 are as follows (*in thousands*):

	Jun. 30, 2014	Jun. 30, 2013	Dec. 31, 2013
Federal benefit	(3,773)	(2,378)	(10,539)
Federal income tax on net capital gains	1,493	4,043	4,940
Federal income (benefit)/taxes incurred	(2,280)	1,665	(5,599)

NOTES TO FINANCIAL STATEMENTS

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:	Jun. 30, 2014	Dec. 31, 2013	Change
Ordinary			
Benefit Obligations	23,372	23,533	(161)
Unpaid Claims	1,136	1,588	(452)
Accrued Expenses	4,219	7,443	(3,224)
Nonadmitted Assets	27,628	27,544	84
AMT Credits	87,916	88,391	(475)
Other	8,725	8,349	376
Subtotal	152,996	156,848	(3,852)
Statutory valuation allowance adjustment	115,975	118,184	(2,209)
Nonadmitted	20,525	21,838	(1,313)
Admitted ordinary deferred tax assets	16,496	16,826	(330)
Capital			
Investments	26,086	25,611	475
Subtotal	26,086	25,611	475
Nonadmitted	324	324	-
Admitted capital deferred tax assets	25,762	25,287	475
Admitted deferred tax assets	42,258	42,113	145
Deferred Tax Liabilities:			
Ordinary			
Accrued Expenses	860	1,147	(287)
Unpaid Claims	10	10	-
Subtotal	870	1,157	(287)
Capital			
Investments	5,830	4,872	958
Investment in affiliate	59,545	58,436	1,109
Subtotal	65,375	63,308	2,067
Deferred tax liabilities	66,245	64,465	1,780
Net deferred tax liabilities	(23,987)	(22,352)	(1,635)

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):

	Jun. 30, 2014	Dec. 31, 2013	Change
Adjusted gross deferred tax assets	63,107	64,275	(1,168)
Total deferred tax liabilities	66,245	64,465	(1,780)
Net deferred tax liabilities	(3,138)	(190)	(2,948)
Tax effect of unrealized gains(losses)			307
Investment in Affiliate			634
Change in net deferred income tax			(2,007)

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

	Jun. 30, 2014	Effective Tax Rate
Provision computed at statutory rate	(17,466)	35.00%
Permanent book to tax and other reserve adjustment	18,780	-37.64%
Pension Equity	705	-1.41%
Changes in valuation allowance	(2,210)	4.43%
Nonadmitted assets and other	(82)	0.17%
Total	(273)	0.55%
Federal income taxes incurred	(2,280)	4.57%
Change in net deferred income taxes	2,007	-4.02%
Total statutory income taxes	(273)	0.55%

NOTES TO FINANCIAL STATEMENTS

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2010 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 and Affiliates

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. Since control over CFH operations is vested in CFI, GHMSI determined that neither GHMSI nor CFMI exercise control over CFH. CFH's wholly-owned subsidiaries include First Care, Inc. (FirstCare), CFA, LLC, National Capital Insurance Agency, LLC, Capital Area Services Company, LLC and CareFirst BlueChoice, Inc. and its subsidiaries. CFH and its subsidiaries are owned 50.001% by CFMI and 49.999% by GHMSI.

11. Debt

None.

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

The components of net periodic benefit cost for the six months ended June 30, 2014 and 2013 are as follows (*in thousands*):

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Service cost	\$ 3,608	\$ 4,274	\$ 314	\$ 504
Interest cost	7,302	6,423	602	682
Expected return on plan assets	(12,934)	(12,188)	—	—
Amortization of transition asset	(1,324)	—	—	—
Amortization of prior service cost	104	64	138	—
Net recognized actuarial loss	1,434	4,500	—	45
Net periodic benefit cost for the six months ended June 30	\$ (1,810)	\$ 3,073	\$ 1,054	\$ 1,231

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

(1) No change.

(2) – (9) Not applicable.

(10) Change in net unrealized capital gains (losses) for the six months ended June 30, 2014:

Change in the unrealized gains (losses) from:

Affiliated common stocks:

CareFirst Holdings	\$ 2,622,858
CareFirst BlueChoice	3,167,714
FirstCare	123,186
CFA	2,133,183
CASCI	1,797,458
NCIA	167,117
Unaffiliated common stocks	1,443,786
Bonds	91,464
Total unrealized gains (losses)	11,546,766
Capital gains deferred taxes	(537,337)

Change in net unrealized capital gains (losses)

less capital gains taxes (page 5 line 36) \$ 11,009,429

(11) – (13) Not applicable.

NOTES TO FINANCIAL STATEMENTS

14. Contingencies**A. Contingent Commitments**

None.

B. Assessments

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

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

C. Gain Contingencies

None.

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

None.

E. All Other Contingencies

The Company insures individuals and provides administrative services to non-risk groups with members who are qualified Medicare beneficiaries. Medicare law identifies the primary payer and secondary payer of claims when individuals are insured by either the Company or an employer and Medicare. Principally as a result of information systems programming errors, the Company incorrectly paid certain claims in years prior to 2009 as the secondary payer rather than as the primary payer for individuals that were insured by the Company. The issues were communicated to CMS in May 2009. The Company has implemented corrective measures to (1) correctly identify Medicare beneficiaries that should be paid primary and (2) modify information systems to correctly adjudicate claims on behalf of Medicare beneficiaries.

Based on its interpretation of Medicare law, the Company believes it is liable for improperly processed claims for the period from January 1, 2006 to December 31, 2008. In 2009, CFMI, GHMSI and CFBC provided CMS with the data of the incorrectly paid claims and offered to settle its obligations to CMS for \$19,000,000. Accordingly, CFMI, GHMSI and CFBC recorded a liability of \$19,000,000 at December 31, 2009 for this proposed settlement, of which \$9,885,000 was recorded by the Company. The Company received demand letters from CMS regarding certain of these individual claims during 2010 and 2011. No demand letters were received in 2012 or 2013. Based on the claims processed in response to these demand letters and its ongoing evaluation of the Company's liability for this matter, the Company released a portion of the reserves that had been established in 2009 at December 31, 2012. The remaining balance of the liability was \$7,467,000 at December 31, 2012. During 2013, CMS made a settlement offer of \$16,054,000, which represented the total liability established in 2009 minus the amount paid to date from the demand letters processed in 2010 and 2011. As a result, the Company re-established a portion of the reserve that was released in 2012 to restore the liability back to the settlement amount offered by CMS. Accordingly, the balance of the liability was \$8,440,000 as of December 31, 2013, and was included in general expenses due or accrued. The final settlement amount of \$8,434,000 was paid in February 2014.

During 2012, the Company discovered an unrelated processing error related to the handling of claims for Medicare members of certain non-risk groups between the years from 2009 to 2012. This error was promptly corrected once identified by the Company. As a result, CFMI and GHMSI recorded a liability of \$4,800,000, of which \$1,143,000 was recorded by the Company representing the Company's best estimate of its portion of liability to CMS at December 31, 2012. In 2013, this liability was reduced after the Company completed its on-going review of the claims data related to this liability. At December 31, 2013, the liability was reduced to \$721,000, and was included in other liabilities. There have been no adjustments to this liability since December 31, 2013. The Company's management believes, after consultation with legal counsel, that the final resolution of this matter will not result in additional material liabilities to the Company.

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

NOTES TO FINANCIAL STATEMENTS

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 six months ended June 30, 2014 and 2013 (*in thousands*):

	June 30	
	2014	2013
Gross reimbursement for medical costs incurred	\$ 373,344	\$ 550,313
Gross administrative fees accrued	23,405	35,214
Gross expenses incurred	(410,316)	(589,892)
Operating loss, before stop loss	\$ (13,567)	\$ (4,365)
Stop loss, net	2,910	1,573
Proforma operating loss	\$ (10,657)	\$ (2,792)

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

For the six months ended June 30, 2014, GHMSI ceded an ASC underwriting loss of \$697,000 to CFMI and assumed an ASC underwriting loss of \$4,415,000 from CFMI for a net underwriting loss of \$3,718,000. For the six months ended June 30, 2013, GHMSI ceded an ASC underwriting loss of \$690,000 to CFMI and assumed an ASC underwriting loss of \$155,000 from CFMI for a net underwriting gain of \$535,000.

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 Measurements* defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value. The fair value hierarchy is as follows:

- Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – Other observable inputs, either directly or indirectly.

NOTES TO FINANCIAL STATEMENTS

- Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

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

There were no transfers between levels during the six months ended June 30, 2014.

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

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

Stocks. Fair values of publicly-traded index funds where market quotes are available but are not considered actively traded are classified as Level 2. Net asset value of the fixed income index fund invested in U.S. Treasury inflation-protected securities (USTIPS) is calculated as of the close of business of the New York Stock Exchange. Fair value of the fixed income index fund where a market quote is available but is not considered actively traded is 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 June 30, 2014
Assets				
Common stocks				
Large capital equity index fund	\$ —	\$ 35,151	\$ —	\$ 35,151
Small capital equity index fund	—	21,758	—	21,758
International equity index fund	—	27,162	—	27,162
Publicly-traded fixed income index fund (a)	—	56,217	—	56,217
Privately held equity securities	—	—	3,941	3,941
Total common stocks	—	140,288	3,941	144,229
Total assets measured and reported at fair value	\$ —	\$ 140,288	\$ 3,941	\$ 144,229

(a) Represent investments in USTIPS.

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, 2014	\$ 4,300
Unrealized losses in capital and surplus—statutory basis	(359)
Ending balance at June 30, 2014	<u>\$ 3,941</u>
Change in unrealized losses included in net income related to assets still held	<u>\$ —</u>

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

NOTES TO FINANCIAL STATEMENTS

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Aggregate Fair Value as of June 30, 2014	Admitted Assets as of June 30, 2014
Bonds	\$ 52,374	\$ 479,621	\$ –	\$ 531,995	\$ 521,224
Common stocks	–	140,288	3,941	144,229	144,229
Total	<u>\$ 52,374</u>	<u>\$ 619,909</u>	<u>\$ 3,941</u>	<u>\$ 676,224</u>	<u>\$ 665,453</u>

As of June 30, 2014, the Company has no financial instruments for which it is not practicable to estimate fair value.

21. Other Items**A. Extraordinary Items**

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures and Unusual Items

The Company is subject to the Health Insurer Tax (HIT) under Section 9010 of the Patient Protection and Affordable Care Act. In accordance with SSAP No. 106 *Affordable Care Act Assessments*, the entire HIT fee for 2014 is recognized as general administrative expense on January 1. The Company has recorded the estimated 2014 HIT fee of \$39,092,000 as of June 30, 2014.

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 June 30, 2014.
- (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. Offsetting and Netting of Assets and Liabilities

Not applicable.

I. Joint and Several Liabilities

Not applicable.

22. Events Subsequent

Not Applicable.

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

The Company maintains a quota-share reinsurance contract with FirstCare, a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with CMS. The Company assumed risk premiums in the amount of \$4,034,000 and \$3,341,000, and incurred an underwriting loss in the amount of \$402,000 and \$319,000, for the six months ended June 30, 2014 and 2013, respectively.

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). The net underwriting gain or loss from this cross-jurisdictional business is transferred via a quota-share reinsurance contract from the company that earned them to the company in whose service area

NOTES TO FINANCIAL STATEMENTS

they were earned. The Company remains obligated for amounts ceded in the event that CFMI does not meet its obligations. As a result of this reinsurance agreement, the following amounts were assumed from and ceded to CFMI for the six months ended June 30, 2014 and 2013 (*in thousands*):

	June 30	
	2014	2013
Premiums assumed	\$ 22,889	\$ 25,812
Premiums ceded	(89,021)	(112,066)
Premiums, net	(66,132)	(86,254)
Cost of care assumed	15,291	18,482
Cost of care ceded	(72,770)	(86,655)
Cost of care, net	(57,479)	(68,173)
General and administrative expenses ceded, net	(15,113)	(17,965)
Net loss (gain) ceded	\$ 6,460	\$ (116)

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*):

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ –	\$ 1,989	\$ –	\$ –	\$ 1,989
(2) Medical loss ratio rebates paid	–	1,989	–	–	1,989
(3) Medical loss ratio rebates unpaid	–	–	–	–	–
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ –
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ –	\$ 8	\$ –	\$ –	\$ 8
(8) Medical loss ratio rebates paid	–	–	–	–	–
(9) Medical loss ratio rebates unpaid	–	8	–	–	8
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 8

E. Risk Sharing Provisions of the Affordable Care Act

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

Yes.

- Impact of Risk Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue for the six months ended June 30, 2014 (*in thousands*):

NOTES TO FINANCIAL STATEMENTS

a. Permanent ACA Risk Adjustment Program		
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment	\$	–
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		183
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		–
5. Reported in expenses as ACA risk adjustment user fees incurred		183
b. Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$	3,370
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		17,614
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		3,370
9. ACA Reinsurance contributions – not reported as ceded premium		17,614
c. Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premium due from ACA Risk Corridors	\$	5,440
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		–
Operations (Revenue & Expense)		
3. Effect of ACA Risk Corridors on net premium income		5,440
4. Effect of ACA Risk Corridors on change in reserves for rate credits		–

The Company has not been able to determine a reasonable estimate for risk adjustment due to inadequate data. Therefore, the Company did not record a risk adjustment receivable or payable for the six months ended June 30, 2014. The Company will continue to evaluate the data and refine the methodology so that a reasonable estimate can be determined by year end.

25. Change in Incurred Claims and Claim Adjustment Expenses

As of June 30, 2014, \$239,369,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$23,011,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$9,714,000 unfavorable prior year development since December 31, 2013 to June 30, 2014, which includes a \$3,016,000 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

NOTES TO FINANCIAL STATEMENTS

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserve

1. Liability carried for premium deficiency reserves: \$940,000 within aggregate health policy reserves
2. Date of the most recent evaluation of this liability: June 30, 2014
3. Was anticipated investment income utilized in the calculation? No

31. 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. 12/31/2008
- 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). 09/29/2009
- 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 [X] No [] N/A []
- 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 [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 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 [X] No []
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
The code was amended in 2013 with an effective date of January 1, 2014. The code is periodically updated to reflect best practices and new policies.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 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 [X] 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 [X]
- 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 [X] 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 | \$435,518,247 | \$445,529,763 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$435,518,247 | \$445,529,763 |
| 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 [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

GENERAL INTERROGATORIES

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

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

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

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

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

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

- 17.4 If yes, give full information relating thereto:

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

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

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

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

- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent89.8 %
 - 1.2 A&H cost containment percent1.8 %
 - 1.3 A&H expense percent excluding cost containment expenses14.7 %
- 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								

STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

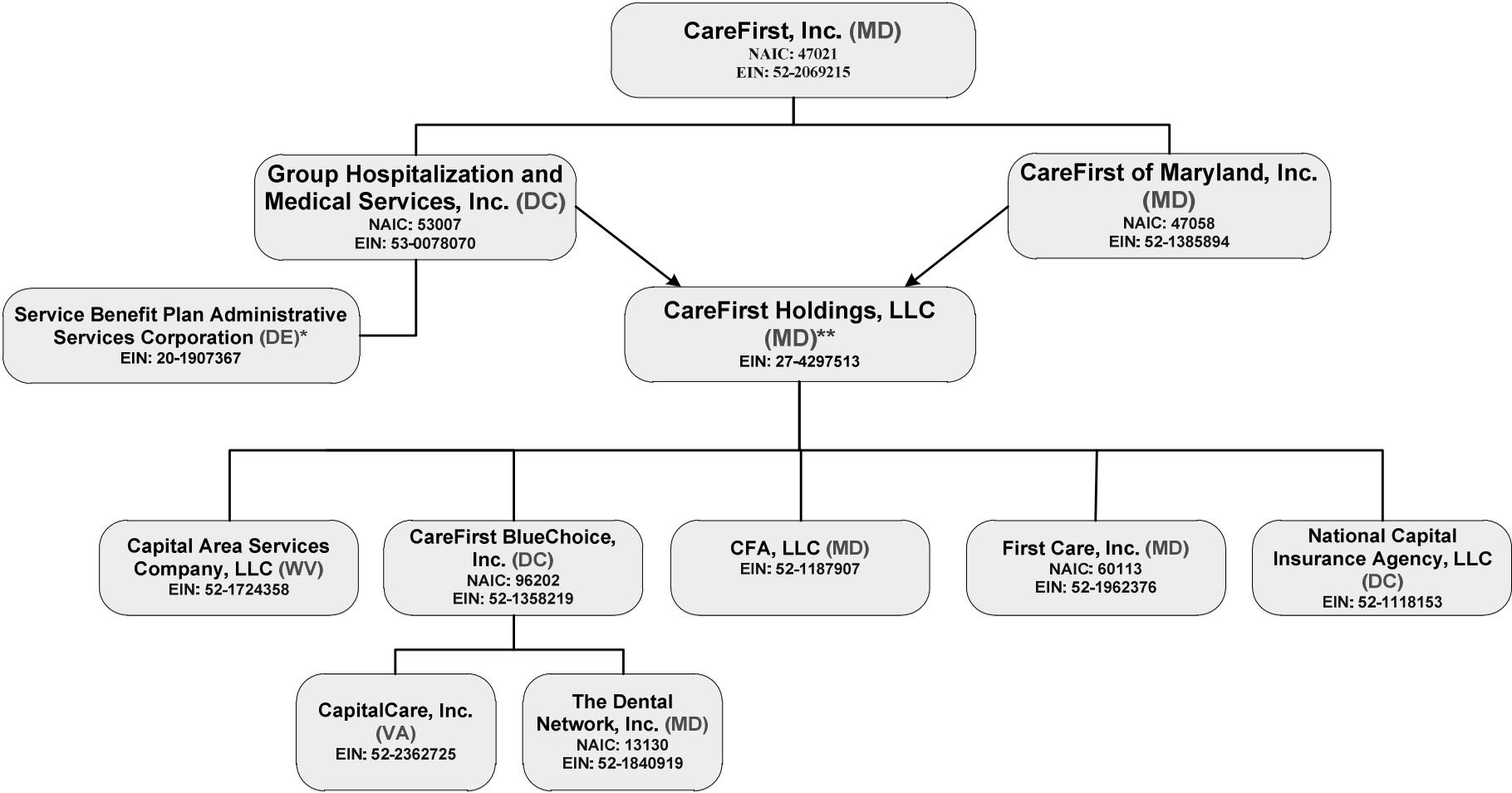
1	Direct Business Only								
	2	3	4	5	6	7	8	9	
States, etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N	0	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0
9. District of Columbia	DC	L	259,667,379	0	0	199,110,829	0	458,778,208	0
10. Florida	FL	N	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0
21. Maryland	MD	L	256,280,584	0	0	431,851,761	0	688,132,345	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0
47. Virginia	VA	L	242,302,529	0	0	290,801,649	0	533,104,178	0
48. Washington	WA	N	0	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0
59. Subtotal	XXX	758,250,492	0	0	921,764,238	0	0	1,680,014,731	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61. Totals (Direct Business)	(a) 3	758,250,492	0	0	921,764,238	0	0	1,680,014,731	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.

**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 JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

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

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

Asterisk	Explanation
N/A	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	YES

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	435,684,914	401,622,035
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)	10,011,516	34,062,879
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)	445,696,430	435,684,914
12. Deduct total nonadmitted amounts	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12)	445,529,763	435,518,247

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	633,296,475	729,221,778
2. Cost of bonds and stocks acquired	416,337,744	769,358,187
3. Accrual of discount	112,280	256,679
4. Unrealized valuation increase (decrease)	1,535,252	(6,111,007)
5. Total gain (loss) on disposals	7,461,569	24,689,893
6. Deduct consideration for bonds and stocks disposed of	391,133,367	877,373,358
7. Deduct amortization of premium	2,157,014	6,745,697
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)	665,452,939	633,296,475
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	665,452,939	633,296,475

STATEMENT AS OF JUNE 30, 2014 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)	562,116,568	273,571,277	305,458,564	3,897,278	562,116,568	534,126,559	0	521,500,109
2. NAIC 2 (a)	106,313,460	28,120,352	16,190,796	(6,126,241)	106,313,460	112,116,775	0	100,687,127
3. NAIC 3 (a)	320,958	0	1,219	1,230,170	320,958	1,549,909	0	100,097
4. NAIC 4 (a)	479,884	0	1,406	825,001	479,884	1,303,479	0	483,323
5. NAIC 5 (a)	829,975	0	0	(829,975)	829,975	0	0	881,903
6. NAIC 6 (a)	18	0	0	0	18	18	0	18
7. Total Bonds	670,060,863	301,691,629	321,651,985	(1,003,767)	670,060,863	649,096,740	0	623,652,577
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	670,060,863	301,691,629	321,651,985	(1,003,767)	670,060,863	649,096,740	0	623,652,577

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

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	127,873,170	xxx	127,906,031	46,228	7,500

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	112,175,883	13,689,876
2. Cost of short-term investments acquired	125,499,959	298,776,383
3. Accrual of discount	0	492
4. Unrealized valuation increase (decrease)	16,625	320
5. Total gain (loss) on disposals	5,007	9,628
6. Deduct consideration received on disposals	109,755,038	200,220,720
7. Deduct amortization of premium	69,266	80,096
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)	127,873,170	112,175,883
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	127,873,170	112,175,883

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

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

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

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

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

Schedule E - Verification - Cash Equivalents
N O N E

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

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

Schedule B - Part 2 - Mortgage Loans Acquired
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
N O N E

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

STATEMENT AS OF JUNE 30, 2014 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)
36179M-K7-4	GNMA PASS-THRU M SINGLE FAMILY		.06/12/2014	BARCLAYS CAPITAL INC		153,350	148,164	.259	1
36179N-DR-6	GNMA PASS-THRU M SINGLE FAMILY		.06/12/2014	CHASE SECURITIES, INC.		358,354	345,962	.605	1
36179Q-BG-5	GNMA PASS-THRU M SINGLE FAMILY		.06/17/2014	CHASE SECURITIES, INC.		42,366	39,791	.80	1
36179Q-DY-4	GNMA PASS-THRU M SINGLE FAMILY		.06/17/2014	VARIOUS		1,169,935	1,127,409	1.973	1
36202F-KM-7	GNMA PASS-THRU M SINGLE FAMILY		.06/18/2014	SALOMON SMITH BARNEY INC/		80,233	75,259	.184	1
36202F-TK-2	GNMA PASS-THRU M SINGLE FAMILY		.06/17/2014	SALOMON SMITH BARNEY INC/		198,985	186,567	.373	1
38378K-ZD-4	GNMA REMIC TRUST 2013-101		.06/17/2014	CFG CAPITAL MARKETS LLC		1,851,576	1,864,834	2.581	1
38378K-J6-7	GNMA REMIC TRUST 2013-126		.06/17/2014	CFG CAPITAL MARKETS LLC		1,931,482	1,869,624	2.839	1
38378K-4S-5	GNMA REMIC TRUST 2013-141		.06/17/2014	CFG CAPITAL MARKETS LLC		2,215,781	2,121,871	3.618	1
912810-FP-8	UNITED STATES TREAS BDS		.06/16/2014	MORGAN STANLEY & CO. INC		215,080	165,000	2.989	1
912810-QZ-4	UNITED STATES TREAS BDS		.06/03/2014	VARIOUS		1,298,796	1,375,000	9.754	1
912810-RB-6	UNITED STATES TREAS BDS		.04/02/2014	BOENNING & SCATTERGOOD IN		10,370,156	12,000,000	138.191	1
912810-RE-0	UNITED STATES TREAS BDS		.05/12/2014	VARIOUS		24,659,531	24,000,000	206.685	1
912810-RG-5	UNITED STATES TREAS BDS		.06/04/2014	VARIOUS		36,014,062	36,000,000	51.726	1
912828-C2-4	UNITED STATES TREAS NTS		.04/16/2014	VARIOUS		840,637	850,000	1.494	1
912828-C3-2	UNITED STATES TREAS NTS		.04/07/2014	LINSCO/PRIVATE LEDGER COR		4,989,063	5,000,000	2.446	1
912828-C5-7	UNITED STATES TREAS NTS		.05/06/2014	LINSCO/PRIVATE LEDGER COR		6,526,406	6,500,000	14.785	1
912828-C6-5	UNITED STATES TREAS NTS		.04/30/2014	CHASE SECURITIES, INC.		1,995,156	2,000,000	3.108	1
912828-D2-3	UNITED STATES TREAS NTS		.05/12/2014	VARIOUS		25,979,063	26,000,000	12.806	1
912828-WA-4	UNITED STATES TREAS NTS		.05/28/2014	MORGAN STANLEY & CO. INC		3,008,203	3,000,000	2.459	1
912828-WD-8	UNITED STATES TREAS NTS		.04/14/2014	SCOTIA CAPITAL MKTS (USA)		2,661,314	2,690,000	15.419	1
912828-WG-1	UNITED STATES TREAS NTS		.05/01/2014	LINSCO/PRIVATE LEDGER COR		11,637,156	11,600,000	1.418	1
912828-WL-0	UNITED STATES TREAS NTS		.06/12/2014	BANC AMERICA SECURITIES L		2,715,062	2,740,000	1.460	1
0599999. Subtotal - Bonds - U.S. Governments						140,911,747	141,699,480	477,252	XXX
3128P7-6D-0	FHLMC PC GOLD CASH 20		.06/17/2014	CFG CAPITAL MARKETS LLC		3,938,344	3,800,000	7.019	1
3128MJ-TU-4	FHLMC PC GOLD COMB 30		.06/17/2014	LINSCO/PRIVATE LEDGER COR		1,698,131	1,665,855	3.077	1
31300M-HV-8	FHLMC PC GUAR ADJ 30YR		.05/19/2014	CHASE SECURITIES, INC.		3,529,291	3,412,261	5.872	1
31326H-CQ-5	FHLMC PC HYBRID ARM		.06/19/2014	CANTOR FITZGERALD & CO		805,838	780,000	1.528	1
3137AL-XJ-3	FHLMC REMIC SERIES 4000		.04/07/2014	UBS FINANCIAL SERVICES IN		2,980,079	2,977,288	1.861	1
3138EG-RS-5	FNMA PASS-THRU INT 15 YEAR		.04/08/2014	G.X. CLARKE & COMPANY		37,849	35,373	.66	1
3138EJ-E3-8	FNMA PASS-THRU INT 15 YEAR		.04/08/2014	G.X. CLARKE & COMPANY		46,443	43,329	.81	1
3138EJ-KA-5	FNMA PASS-THRU INT 15 YEAR		.04/08/2014	GOLDMAN, SACHS & CO.		95,998	89,849	1.50	1
3138EM-U6-6	FNMA PASS-THRU INT 15 YEAR		.04/07/2014	UBS FINANCIAL SERVICES IN		3,003,557	2,975,661	3.100	1
314120-EQ-8	FNMA PASS-THRU INT 15 YEAR		.04/08/2014	G.X. CLARKE & COMPANY		84,063	78,153	.147	1
31418B-D3-7	FNMA PASS-THRU INT 20 YEAR		.06/17/2014	CFG CAPITAL MARKETS LLC		3,924,151	3,785,165	6.992	1
3138EH-YF-4	FNMA PASS-THRU LNG 30 YEAR		.05/12/2014	NOMURA SECURITIES INTL		209,949	190,376	.291	1
3138EJ-EY-0	FNMA PASS-THRU LNG 30 YEAR		.05/09/2014	MORGAN STANLEY & CO. INC		201,368	191,181	.234	1
3138EL-K7-3	FNMA PASS-THRU LNG 30 YEAR		.05/12/2014	CHASE SECURITIES, INC.		142,801	133,031	.183	1
3138EN-BJ-7	FNMA PASS-THRU LNG 30 YEAR		.05/20/2014	CREDIT SUISSE FIRST BOSTO		487,100	447,844	.616	1
31418T-JF-5	FNMA PASS-THRU LNG 30 YEAR		.06/17/2014	LINSCO/PRIVATE LEDGER COR		1,195,720	1,077,225	2.843	1
31418U-4W-1	FNMA PASS-THRU LNG 30 YEAR		.04/04/2014	BARCLAYS CAPITAL INC		259,669	236,297	.295	1
31419A-4N-4	FNMA PASS-THRU LNG 30 YEAR		.05/09/2014	MORGAN STANLEY & CO. INC		186,729	182,788	.195	1
3138EJ-P8-5	FNMA PASS-THRU SF30 LTV125+		.06/17/2014	LINSCO/PRIVATE LEDGER COR		3,492,834	3,273,413	6.911	1
31416Y-C9-7	FNMA PASS-THRU INT 20 YEAR		.06/17/2014	LINSCO/PRIVATE LEDGER COR		1,199,395	1,100,836	2.614	1
3138AF-W6-3	FNMA PASS-THRU LNG 30 YEAR		.06/17/2014	LINSCO/PRIVATE LEDGER COR		2,247,908	2,082,602	4.946	1
31417F-3G-1	FNMA PASS-THRU LNG 30 YEAR		.06/12/2014	RBC CAPITAL MARKETS CORP		512,608	522,819	.697	1
3136AH-BX-7	FNMA REMIC TRUST 2013-123		.04/07/2014	UBS FINANCIAL SERVICES IN		3,001,817	2,942,057	2.207	1
647677-AJ-2	NEW ORLEANS LA NAVY HSG MILITA		.05/02/2014	U.S. BANCORP PIPER JAFFRA		2,049,680	2,000,000	7.033	1FE
3199999. Subtotal - Bonds - U.S. Special Revenues						35,331,322	34,023,400	58,958	XXX
88579Y-AH-4	3M CO		.06/18/2014	RBC CAPITAL MARKETS CORP		955,200	1,000,000	1.938	1FE
023551-AM-6	AMERADA HESS CORP		.06/23/2014	RAYMOND JAMES & ASSOCIATE		1,980,810	1,900,000	29.984	2FE
035229-DA-8	ANHEUSER BUSCH COS INC		.06/19/2014	CFG CAPITAL MARKETS LLC		2,398,880	2,000,000	26.514	1FE
04621W-AC-4	ASSURED GTY US HLDGS INC		.06/18/2014	RAYMOND JAMES & ASSOCIATE		1,167,193	1,150,000	.479	2FE
05377R-BF-0	AVIS BUDGET RENTAL FDG 2013 144A		.04/25/2014	MORGAN STANLEY & CO. INC		113,300	110,000	.91	1FE
053807-AQ-6	AVNET INC NT 5.875%20		.05/13/2014	BANC AMERICA SECURITIES L		259,518	230,000	5.668	2FE
06051G-FC-8	BANK AMER CORP		.06/18/2014	MERRILL LYNCH PROFESSNL C		1,581,870	1,500,000	31.667	1FE
071813-BA-6	BAXTER INTL INC		.04/03/2014	MIZUHO SECURITIES USA INC		1,100,170	1,000,000	6.625	1FE
097014-AL-8	BOEING CAP CORP		.04/07/2014	BOENNING & SCATTERGOOD IN		562,545	500,000	10.640	1FE
12189L-AA-9	BURLINGTON NORTHN SANTA FE CP		.06/23/2014	LINSCO/PRIVATE LEDGER COR		2,951,875	2,500,000	21.962	2FE
13975H-AD-8	CAPITAL AUTO RECV ABN 2014-2		.04/16/2014	DEUTSCHE BANK SECURITIES		199,947	200,000	.0	1FE
14170T-AK-7	CAREFUSION CORP		.06/19/2014	RBC CAPITAL MARKETS CORP		1,000,280	1,000,000	4.333	2FE
14987B-AE-3	CC HLDGS GS V LLC/CROWN CASTL		.05/28/2014	VARIOUS		131,555	130,000	.653	2FE

E04

STATEMENT AS OF JUNE 30, 2014 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)
12505N-AB-0	COG RECEIVABLES ABS 1.060% 144A		.05/06/2014	CHASE SECURITIES, INC.		99,991	100,000	.0	1FE
12513Y-AF-7	CD 2007-CD4 MTG TRUST		.04/07/2014	UBS FINANCIAL SERVICES IN		3,288,750	3,000,000	3,992	1FM
17322M-AY-2	CITGRP COML MTG TR 2014-GC21		.05/07/2014	SALOMON SMITH BARNEY INC/		324,733	325,000	.763	1FE
126117-AQ-3	CNA FINL CORP		.05/13/2014	WACHOVIA SECURITIES CAPIT		198,932	170,000	2,525	2FE
20030N-BK-6	COMCAST CORP NEW		.06/19/2014	RBC CAPITAL MARKETS CORP		2,107,380	2,000,000	31,139	1FE
12631D-AX-1	COMM MTG TR 2014-CORE17		.06/17/2014	LINSCO/PRIVATE LEDGER COR		1,998,455	1,930,000	3,068	1FE
205887-AX-0	CONAGRA FOODS INC		.06/20/2014	CANTOR FITZGERALD & CO		1,400,840	1,000,000	22,917	2FE
212015-AH-4	CONTINENTAL RESOURCES INC		.05/21/2014	VARIOUS		395,113	365,000	3,475	2FE
12648N-AA-0	CSMC TR 2014-ICE 144A		.05/30/2014	CREDIT SUISSE FIRST BOSTO		100,000	100,000	.0	1FE
278062-AD-6	EATON CORP PLC		.06/19/2014	LINSCO/PRIVATE LEDGER COR		1,971,600	2,000,000	11,556	2FE
278642-AF-0	EBAY INC		.06/19/2014	MERRILL LYNCH PROFESSNL C		1,762,560	2,000,000	35,333	1FE
26884A-AZ-6	ERP OPER LTD PARTNERSHIP		.04/24/2014	UBS WARBURG		381,752	350,000	6,025	2FE
30165R-AA-6	EXETER AUTO REC V TR 2014 144A		.05/20/2014	SALOMON SMITH BARNEY INC/		59,998	60,000	.0	1FE
36144B-AT-0	GATX CORP		.05/09/2014	RBC CAPITAL MARKETS CORP		70,170	70,000	.340	2FE
369550-AT-5	GENERAL DYNAMICS CORP		.06/19/2014	MERRILL LYNCH PROFESSNL C		1,818,080	2,000,000	7,800	1FE
369622-SM-8	GENERAL ELEC CAP CORP		.05/16/2014	SALOMON SMITH BARNEY INC/		637,420	560,000	8,244	1FE
38141G-FD-1	GOLDMAN SACHS GROUP INC		.06/23/2014	CFG CAPITAL MARKETS LLC		3,023,400	2,500,000	39,844	2FE
38141E-A2-5	GOLDMAN SACHS GRP INC MTN BE		.05/08/2014	DEUTSCHE BANK SECURITIES		341,939	280,000	5,133	1FE
36248G-AB-6	GS MTG SECS TR 2013-GCJ16		.06/17/2014	LINSCO/PRIVATE LEDGER COR		2,198,510	2,113,000	3,382	1FM
36253B-AQ-6	GS MTG SECS TR 2014-GC22		.06/05/2014	GOLDMAN, SACHS & CO		74,999	75,000	.62	1FE
43284A-AA-2	HILTON GRAND VACA TR 2014-A 144A		.06/10/2014	DEUTSCHE BANK SECURITIES		184,975	185,000	.0	1FE
458140-AN-0	INTEL CORP		.06/20/2014	LINSCO/PRIVATE LEDGER COR		1,480,500	1,500,000	1,667	1FE
459200-BB-6	INTERNATIONAL BUSINESS MACHS		.06/19/2014	CFG CAPITAL MARKETS LLC		1,748,507	1,407,000	5,740	1FE
46186P-AA-1	INVITATION HOMES TR 2014 144A		.05/22/2014	DEUTSCHE BANK SECURITIES		100,000	100,000	.0	1FE
478160-AL-8	JOHNSON & JOHNSON		.06/19/2014	CFG CAPITAL MARKETS LLC		2,289,540	2,000,000	10,725	1FE
46641W-AZ-0	JPMBB COML MTG SEC TR 2014-C19		.04/29/2014	CHASE SECURITIES, INC.		108,150	105,000	.248	1FE
46625H-JM-3	JPMORGAN CHASE & CO		.06/23/2014	CFG CAPITAL MARKETS LLC		2,831,475	2,500,000	50,781	1FE
48518B-AN-6	KANSAS CITY SOUTHW RY CO		.06/25/2014	EXCHANGE		241,192	250,000	.0	2FE
52109P-AE-5	LB-UBS CMBS 2007-C6		.04/07/2014	UBS FINANCIAL SERVICES IN		1,068,103	992,430	4,683	1FM
501810-AH-1	LCOR ALEXANDRIA L L C 144A		.04/25/2014	RAYMOND JAMES & ASSOCIATE		2,268,620	2,000,000	17,000	2
524901-AR-6	LEGG MASON INC		.06/20/2014	U.S. BANCORP PIPER JAFFRA		1,080,130	1,000,000	23,906	2FE
57174B-AV-4	MARSH & MCLENNAN COS INC		.06/16/2014	CHASE SECURITIES, INC.		144,656	145,000	.33	2FE
58013M-EH-3	MCDONALDS CORP MED TERM NT BE		.06/20/2014	MERRILL LYNCH PROFESSNL C		2,394,020	2,000,000	45,600	1FE
594918-AJ-3	MICROSOFT CORP		.06/20/2014	MERRILL LYNCH PROFESSNL C		2,051,960	2,000,000	21,000	1FE
594918-AW-4	MICROSOFT CORP		.04/29/2014	LINSCO/PRIVATE LEDGER COR		2,070,800	2,000,000	29,403	1FE
595620-AL-9	MIDAMERICAN ENERGY CO		.06/19/2014	MIZUHO SECURITIES USA INC		2,175,420	2,000,000	26,400	1FE
55315C-AD-9	MMAF EQUIP FIN LLC 2014-A 144A		.06/03/2014	CHASE SECURITIES, INC.		139,957	140,000	.0	1FE
61763M-AA-8	MS BOFAML TRUST 2014-C16		.06/05/2014	MORGAN STANLEY & CO. INC		85,000	85,000	.52	1FE
629568-AZ-9	NABORS INDS INC		.06/26/2014	EXCHANGE		39,983	40,000	.0	2FE
629568-BB-1	NABORS INDS INC		.06/26/2014	EXCHANGE		1,040,026	1,000,000	.0	2FE
66989H-AF-5	NOVARTIS CAPITAL CORP		.06/23/2014	MERRILL LYNCH PROFESSNL C		1,836,060	2,000,000	19,528	1FE
677050-AK-2	OGLETHORPE PWR CORP		.06/23/2014	MERRILL LYNCH PROFESSNL C		2,009,780	2,000,000	3,539	1FE
68389X-AH-8	ORACLE CORP		.06/20/2014	CFG CAPITAL MARKETS LLC		2,510,760	2,000,000	56,826	1FE
709599-AQ-7	PENSKE TRUCK LEASING CO 144A		.06/12/2014	BANC AMERICA SECURITIES L		144,959	145,000	.0	2FE
740189-AH-8	PRECISION CASTPARTS CORP		.06/19/2014	CFG CAPITAL MARKETS LLC		943,380	1,000,000	17,225	1FE
76716X-AA-0	RIO OIL FIN TR 144A		.06/12/2014	BNP PARIBAS SECURITIES BO		1,899,962	1,900,000	.0	2FE
771196-AU-6	ROCHE HLDGS INC 144A		.06/20/2014	CFG CAPITAL MARKETS LLC		2,799,700	2,000,000	44,333	1FE
82967N-AG-3	SIRIUS XM RADIO INC 144A		.05/13/2014	VARIOUS		260,194	240,000	2,788	2FE
863667-AG-6	STRYKER CORP		.06/19/2014	RBC CAPITAL MARKETS CORP		1,964,160	2,000,000	12,882	1FE
881561-XJ-8	TERWIN MTG TR 2005-14HE		.05/01/2014	ADJUSTMENT		.0	724	.0	1FM
882389-CC-1	TEXAS EASTN TRANSMISSION CORP		.06/18/2014	RAYMOND JAMES & ASSOCIATE		2,629,580	2,000,000	61,444	2FE
911312-AN-6	UNITED PARCEL SERVICE INC		.06/19/2014	LINSCO/PRIVATE LEDGER COR		1,111,000	1,000,000	5,281	1FE
92938V-AS-4	WELL FARGO COM MTG TR 2014-C19		.04/30/2014	WACHOVIA SECURITIES CAPIT		275,434	265,000	126	1FE
94974B-FY-1	WELLS FARGO CO MTN BE		.06/19/2014	LINSCO/PRIVATE LEDGER COR		1,017,100	1,000,000	2,392	1FE
92890F-BB-1	WFRBS COML MTG TR 2014-C20		.04/29/2014	WACHOVIA SECURITIES CAPIT		180,239	175,000	.244	1FE
040254-74-0	AFRICAN DEV BANK	R.	.04/15/2014	Citigroup Global Markets		1,998,885	1,500,000	4,609	1FE
03937L-AA-3	ARCH CAP GROUP LTD	R.	.06/20/2014	U.S. BANCORP PIPER JAFFRA		1,352,620	1,000,000	11,025	1FE
046353-AD-0	ASTRAZENECA PLC	R.	.06/20/2014	CFG CAPITAL MARKETS LLC		2,560,180	2,000,000	35,833	1FE
056752-AD-0	BAIDU INC	R.	.06/04/2014	Goldman Sachs & Co		198,640	200,000	.0	1FE
05533U-AD-0	BBVA BANCOMER S A INST DEBANCO 144A	R.	.05/07/2014	BONY - BANQUE DEWIAAY SA		266,325	265,000	1,031	1FE
05578Q-AB-9	BPCE GBL NT 144A	R.	.04/08/2014	VARIOUS		493,093	490,000	5,408	2FE
22532L-AL-8	CREDIT AGRICOLE S A 144A	R.	.04/09/2014	EUROCLEAR BANK S.A. BRUSS		249,685	250,000	.0	1FE

STATEMENT AS OF JUNE 30, 2014 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)	
225460-AA-4	CREDIT SUISSE INTERNATIONAL 144A	F	.05/05/2014	CREDIT SUISSE FIRST BOSTO		224,750	200,000	3,250	2FE	
279158-AJ-8	ECOPETROL S A	R	.05/20/2014	GOLDMAN, SACHS & CO		24,834	25,000	0	2FE	
292688-AC-5	ENEL FIN INTL S A 144A	R	.04/15/2014	JEFFERIES & CO BONDS DIR		380,975	325,000	2,210	2FE	
45687A-AG-7	INGERSOLL-RAND GLOBAL HLDG CO	R	.06/19/2014	CFG CAPITAL MARKETS LLC		2,314,360	2,000,000	2,875	2FE	
65657F-AA-4	NORDEA BK AB EURO MTN 144A	R	.05/13/2014	HSBC SECURITIES, INC.		328,631	305,000	124	1FE	
78010X-AK-7	ROYAL BK OF SCOTLAND PLC	R	.06/17/2014	GREENWICH CAPITAL MKTS, I		258,203	220,000	5,951	1FE	
88032I-AB-2	TENCENT HLDGS LTD 144A	R	.05/28/2014	VARIOUS		405,544	400,000	619	1FE	
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						90,849,812	82,173,155	862,933	XXX	
8399997. Total - Bonds - Part 3							267,092,881	257,896,035	1,399,143	XXX
8399998. Total - Bonds - Part 5							XXX	XXX	XXX	XXX
8399999. Total - Bonds							267,092,881	257,896,035	1,399,143	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		.05/16/2014	VARIOUS	1,985,537.452	22,831,293		0	L	
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		.05/16/2014	VANGUARD GROUP	70,234.822	12,000,000		0	L	
9299999. Subtotal - Common Stocks - Mutual Funds							34,831,293	XXX	0	XXX
9799997. Total - Common Stocks - Part 3							34,831,293	XXX	0	XXX
9799998. Total - Common Stocks - Part 5							XXX	XXX	XXX	XXX
9799999. Total - Common Stocks							34,831,293	XXX	0	XXX
9899999. Total - Preferred and Common Stocks							34,831,293	XXX	0	XXX
9999999 - Totals							301,924,174	XXX	1,399,143	XXX

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

STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
36202F-M7-8	GNMA 11 POOL #004882 4.000%		06/20/2014	PRINCIPAL RECEIPT		8,637	8,637	9,390	9,386	0	(749)	0	(749)	0	8,637	0	0	0	140	12/20/2040	1
36179M-2N-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	VARIOUS		180,666	190,360	184,299	184,714	0	690	0	690	0	185,404	0	(4,737)	(4,737)	1,493	02/20/2043	1
36179M-K6-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		8,369	8,800	8,804	8,800	0	(431)	0	(431)	0	8,369	0	0	0	100	08/20/2042	1
36179M-NH-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		5,689	5,689	6,203	6,200	0	(511)	0	(511)	0	5,689	0	0	0	81	09/20/2042	1
36179M-VR-8	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		8,790	8,790	9,250	9,248	0	(459)	0	(459)	0	8,790	0	0	0	110	12/20/2042	1
36179M-X2-1	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		14,071	14,071	13,132	6,714	0	943	0	943	0	14,071	0	0	0	109	01/20/2043	1
36179N-CX-4	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		782	782	783	783	0	(1)	0	(1)	0	782	0	0	0	9	05/20/2048	1
36179N-DR-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		8,672	8,672	9,058	9,057	0	(385)	0	(385)	0	8,672	0	0	0	123	05/20/2043	1
36179N-F6-0	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	VARIOUS		518,963	516,742	513,109	513,125	0	87	0	87	0	513,212	0	5,751	5,751	8,799	06/20/2043	1
36179Q-BG-5	GNMA PASS-THRU M SINGLE FAMILY		06/18/2014	NOMURA SECURITIES INTL		39,791	42,355	42,366	42,355	0	(1)	0	(1)	0	42,365	0	(10)	(10)	97	04/20/2044	1
36202F-CP-9	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		6,751	6,751	7,418	7,445	0	(693)	0	(693)	0	6,751	0	0	0	136	11/20/2039	1
36202F-EH-5	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		20,487	20,487	22,337	22,337	0	(1,850)	0	(1,850)	0	20,487	0	0	0	134	02/20/2040	1
36202F-GE-0	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		4,331	4,331	4,759	4,776	0	(445)	0	(445)	0	4,331	0	0	0	87	05/20/2040	1
36202F-GY-6	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		6,444	6,444	7,081	7,107	0	(662)	0	(662)	0	6,444	0	0	0	130	06/20/2040	1
36202F-LQ-7	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		6,415	6,415	7,049	7,074	0	(659)	0	(659)	0	6,415	0	0	0	130	10/20/2040	1
36202F-MA-1	GNMA PASS-THRU M SINGLE FAMILY		06/20/2014	PRINCIPAL RECEIPT		28,879	28,879	31,373	31,368	0	(2,490)	0	(2,490)	0	28,879	0	0	0	461	11/20/2040	1
36241L-DM-5	GNMA PASS-THRU X PLATINUM 30YR		06/15/2014	PRINCIPAL RECEIPT		55,123	60,033	60,033	60,008	0	(4,885)	0	(4,885)	0	55,123	0	0	0	1,196	11/15/2039	1
36241L-UE-4	GNMA PASS-THRU X PLATINUM 30YR		06/15/2014	PRINCIPAL RECEIPT		5,836	5,836	6,326	6,326	0	(490)	0	(490)	0	5,836	0	0	0	34	07/15/2040	1
36176X-KP-3	GNMA PASS-THRU X SINGLE FAMILY		06/15/2014	PRINCIPAL RECEIPT		28,552	28,552	30,127	30,109	0	(1,557)	0	(1,557)	0	28,552	0	0	0	390	04/15/2042	1
36200C-ZY-3	GNMA PASS-THRU X SINGLE FAMILY		06/15/2014	PRINCIPAL RECEIPT		46,868	46,868	51,511	51,518	0	(4,650)	0	(4,650)	0	46,868	0	0	0	820	07/15/2040	1
36200C-ZB-7	GNMA PASS-THRU X SINGLE FAMILY		06/15/2014	PRINCIPAL RECEIPT		61,970	61,970	68,109	68,118	0	(6,148)	0	(6,148)	0	61,970	0	0	0	1,105	06/15/2040	1
36225A-4V-9	GNMA POOL #780836		06/15/2014	PRINCIPAL RECEIPT		1,656	1,656	1,759	1,707	0	(51)	0	(51)	0	1,656	0	0	0	54	04/15/2020	1
38378B-P8-6	GNMA REMIC TRUST 2012-123		06/16/2014	PRINCIPAL RECEIPT		10,479	10,479	10,505	10,504	0	(25)	0	(25)	0	10,479	0	0	0	46	07/16/2046	1
911759-LP-1	HOUSING URBAN DEVELOPMENT		06/18/2014	JAFFRA U.S. BANCORP PIPER		3,781,060	3,898,000	4,113,014	4,080,306	0	(10,251)	0	(10,251)	0	4,070,054	0	(288,994)	(288,994)	104,945	08/01/2025	1
911759-LR-7	HOUSING URBAN DEVELOPMENT		06/18/2014	JAFFRA		2,406,250	2,500,000	2,597,000	2,583,561	0	(4,652)	0	(4,652)	0	2,578,910	0	(172,660)	(172,660)	69,319	08/01/2027	1
83162C-LX-9	SMALL BUS ADMIN GTD DEV PTC		06/01/2014	PRINCIPAL RECEIPT		26,458	26,458	27,366	26,458	0	0	0	0	0	26,458	0	0	0	0	12/01/2021	1
83162C-OG-1	SMALL BUS ADMIN GTD DEV PTC		05/01/2014	CALLED @ 100.0000000		46,746	46,746	48,645	47,591	0	(13)	0	(13)	0	47,578	0	(832)	(832)	1,412	05/01/2026	1
83162C-QH-9	SMALL BUS ADMIN GTD DEV PTC		06/01/2014	PRINCIPAL RECEIPT		34,150	34,150	34,150	34,150	0	0	0	0	0	34,150	0	0	0	0	06/01/2026	1
83162C-HI-8	SMALL BUSINESS ADMIN GTD 97-20E		05/01/2014	PRINCIPAL RECEIPT		1,644	1,644	1,644	1,644	0	0	0	0	0	1,644	0	0	0	60	05/01/2017	1
83162C-JF-1	SMALL BUSINESS ADMIN GTD 98-20E		05/01/2014	PRINCIPAL RECEIPT		27,290	27,290	27,701	27,455	0	(164)	0	(164)	0	27,290	0	0	0	860	05/01/2018	1
83162C-JR-5	SMALL BUSINESS ADMIN GTD 98-20L		06/01/2014	PRINCIPAL RECEIPT		8,668	8,668	8,668	8,668	0	0	0	0	0	8,668	0	0	0	0	12/01/2018	1
83162C-JX-2	SMALL BUSINESS ADMIN GTD 99-20D		04/01/2014	PRINCIPAL RECEIPT		8,987	8,987	8,987	8,987	0	0	0	0	0	8,987	0	0	0	276	04/01/2019	1
912810-FP-8	UNITED STATES TREAS BDS		06/17/2014	(USA)		213,636	165,000	215,080	0	0	(6)	0	(6)	0	215,074	0	(1,437)	(1,437)	3,013	02/15/2031	1
912810-OZ-4	UNITED STATES TREAS BDS		06/17/2014	VARIOUS		758,952	805,000	702,837	702,998	0	656	0	656	0	703,654	0	55,297	55,297	17,596	02/15/2043	1
912810-RB-6	UNITED STATES TREAS BDS		04/07/2014	BOENNING & SCATTERGOOD IN		10,494,375	12,000,000	10,370,156	0	0	440	0	440	0	10,370,596	0	123,779	123,779	138,191	05/15/2043	1
912810-RC-4	UNITED STATES TREAS BDS		05/02/2014	IN		8,392,500	8,000,000	7,623,750	7,624,120	0	2,269	0	2,269	0	7,626,389	0	766,111	766,111	208,287	08/15/2044	1
912810-RE-0	UNITED STATES TREAS BDS		05/13/2014	VARIOUS		37,175,625	36,000,000	36,614,531	0	0	15	0	15	0	36,614,547	0	561,078	561,078	276,381	02/15/2043	1
912810-RG-5	UNITED STATES TREAS BDS		06/06/2014	VARIOUS		36,100,312	36,000,000	36,014,062	0	0	4	0	4	0	36,014,067	0	86,246	86,246	51,726	05/15/2044	1
912828-A2-6	UNITED STATES TREAS NTS		04/11/2014	LINSCO/PRIVATE LEDGER COR		7,500,000	7,500,000	7,496,484	7,496,592	0	489	0	489	0	7,497,080	0	2,920	2,920	6,954	11/30/2015	1
912828-A7-5	UNITED STATES TREAS NTS		05/06/2014	LINSCO/PRIVATE LEDGER COR		3,482,910	3,500,000	3,475,955	0	0	1,490	0	1,490	0	3,477,445	0	5,465	5,465	18,419	12/31/2018	1
912828-B3-3	UNITED STATES TREAS NTS		05/01/2014	LINSCO/PRIVATE LEDGER COR		5,471,641	5,500,000	5,510,780	0	0	(462)	0	(462)	0	5,510,318	0	(38,677)	(38,677)	20,739	01/31/2019	1
912828-C3-2	UNITED STATES TREAS NTS		06/17/2014	CFG CAPITAL MARKETS LLC		4,981,445	5,000,000	4,989,063	0	0	710	0	710	0	4,989,772	0	(8,327)	(8,327)	9,681	03/15/2017	1
912828-C5-7	UNITED STATES TREAS NTS		06/17/2014	CFG CAPITAL MARKETS LLC		6,507,109	6,500,000	6,526,406	0	0	(407)	0	(407)	0	6,526,000	0	(18,890)	(18,890)	31,568	03/31/2021	1
912828-D2-3	UNITED STATES TREAS NTS		06/16/2014	VARIOUS		19,941,406	20,000,000	19,982,813	0	0	358	0	358	0	19,983,171	0	(41,765)	(41,765)	42,391	04/30/2019	1
912828-SD-3	UNITED STATES TREAS NTS		05/01/2014	LINSCO/PRIVATE LEDGER COR		6,000,875	6,100,000	6,028,277	6,029,082	0	4,444	0	4,444	0	6,033,526	0	(32,651)	(32,651)	57,293	01/31/2019	1
912828-UC-2	UNITED STATES TREAS NTS		04/11/2014	LINSCO/PRIVATE LEDGER COR		5,497,422	5,500,000	5,497,422	5,497,526	0	347	0	347	0	5,497,873	0	(451)	(451)	4,533	12/15/2015	1

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STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
912828-VE-7	UNITED STATES TREAS NTS		05/06/2014	LINSCO/Private Ledger COR		1,968,594	2,000,000	1,952,813	1,957,644	.0	3,198	.0	3,198	.0	1,960,842	.0	7,752	7,752	8,681	05/31/2018	1
912828-VK-3	UNITED STATES TREAS NTS		05/06/2014	LINSCO/Private Ledger COR		997,930	1,000,000	1,000,078	1,000,071	.0	(5)	.0	(5)	.0	1,000,066	.0	(2,136)	(2,136)	4,824	06/30/2018	1
912828-VU-1	UNITED STATES TREAS NTS		04/07/2014	COR		10,020,313	10,000,000	9,984,375	9,986,929	.0	2,068	.0	2,068	.0	9,988,997	.0	31,316	31,316	22,724	08/31/2015	1
912828-WF-3	UNITED STATES TREAS NTS		06/17/2014	CFG CAPITAL MARKETS LLC		7,479,492	7,500,000	7,510,254	7,510,043	.0	(1,598)	.0	(1,598)	.0	7,508,445	.0	(28,953)	(28,953)	27,768	11/15/2016	1
912828-WG-1	UNITED STATES TREAS NTS		06/17/2014	CFG CAPITAL MARKETS LLC		11,601,359	11,600,000	11,637,156	.0	.0	(626)	.0	(626)	.0	11,636,530	.0	(35,171)	(35,171)	34,753	04/30/2021	1
911760-RP-3	US VA VENDEE MTG TR 2002-1		06/15/2014	PRINCIPAL RECEIPT		73,215	73,215	87,125	86,909	.0	(13,694)	.0	(13,694)	.0	73,215	.0	.0	.0	1,918	08/15/2031	1
0599999 Subtotal - Bonds - U.S. Governments						192,081,149	192,380,852	191,191,373	55,738,495	0	(40,812)	0	(40,812)	0	191,111,128	0	970,024	970,024	1,180,096	XXX	XXX
731011-AT-9	POLAND REP GLBL BD	R	06/17/2014	DEUTSCHE BANK AG		160,215	165,000	149,540	149,926	.0	625	.0	625	.0	150,551	.0	9,664	9,664	3,754	03/17/2023	1FE
857524-AC-6	REPUBLIC OF POLAND	R	04/25/2014	HSBC BROKERAGE (USA)		131,300	130,000	128,952	.0	.0	23	.0	23	.0	128,976	.0	2,324	2,324	1,416	01/22/2024	1FE
857524-AB-8	REPUBLIC OF POLAND NT	R	06/18/2014	HSBC SECURITIES, INC.		261,883	235,000	253,424	.0	.0	(723)	.0	(723)	.0	252,700	.0	9,182	9,182	8,763	03/23/2022	1FE
78307A-CZ-4	RUSSIAN FEDN 144A	R	04/08/2014	VARIOUS		125,987	110,825	130,918	130,397	.0	(837)	.0	(837)	.0	129,560	.0	(3,573)	(3,573)	4,399	03/31/2030	2FE
1099999 Subtotal - Bonds - All Other Governments						679,385	640,825	662,834	280,323	0	(912)	0	(912)	0	661,787	0	17,597	17,597	18,332	XXX	XXX
13063B-JC-7	CALIFORNIA ST 7.600% 11/01/2040		04/09/2014	CITIGROUP GLOBAL MARKET I		636,138	450,000	530,177	527,570	.0	(311)	.0	(311)	.0	527,258	.0	108,880	108,880	15,485	11/01/2040	1FE
13063B-FR-8	CALIFORNIA ST GO		04/16/2014	DEUTSCHE BANK SECURITIES		247,252	175,000	239,292	238,591	.0	(391)	.0	(391)	.0	238,200	.0	9,052	9,052	8,562	03/01/2040	1FE
13063A-7D-0	CALIFORNIA ST GO BDS TAXABLE		05/28/2014	VARIOUS		1,551,154	1,100,000	1,515,615	1,501,776	.0	(4,097)	.0	(4,097)	.0	1,501,679	.0	49,475	49,475	53,756	10/01/2039	1FE
341150-M6-4	FLORIDA ST		06/18/2014	BARCLAYS CAPITAL INC		65,244	55,000	67,660	65,584	.0	(605)	.0	(605)	.0	64,978	.0	266	266	2,689	07/01/2023	1FE
373384-VN-0	GEORGIA ST		04/14/2014	GOLDMAN, SACHS & CO.		126,959	105,000	134,609	130,585	.0	(795)	.0	(795)	.0	129,790	.0	(2,831)	(2,831)	4,171	07/01/2023	1FE
373384-Y0-3	GEORGIA ST		06/17/2014	FUNB-FUNDS I I		95,632	80,000	100,656	97,876	.0	(890)	.0	(890)	.0	96,987	.0	(1,355)	(1,355)	3,878	07/01/2025	1FE
574193-GX-0	MARYLAND ST		06/17/2014	VARIOUS		194,846	165,000	200,279	196,994	.0	(1,565)	.0	(1,565)	.0	195,429	.0	(583)	(583)	5,923	03/01/2024	1FE
93974C-J3-5	WASHINGTON ST		06/16/2014	FUNB-FUNDS I I		241,435	205,000	253,251	246,250	.0	(2,019)	.0	(2,019)	.0	244,231	.0	(2,796)	(2,796)	9,908	07/01/2024	1FE
1799999 Subtotal - Bonds - U.S. States, Territories and Possessions						3,158,660	2,335,000	3,041,539	3,009,226	0	(10,673)	0	(10,673)	0	2,998,552	0	160,108	160,108	104,372	XXX	XXX
442331-VT-8	HOUSTON TEX		04/14/2014	CITIGROUP GLOBAL MARKET I		106,338	90,000	111,695	108,405	.0	(590)	.0	(590)	.0	107,815	.0	(1,477)	(1,477)	2,825	03/01/2023	1FE
544646-ZR-6	LOS ANGELES CALIF UNI SCH DIST GO		05/19/2014	VARIOUS		1,028,735	775,000	837,021	833,206	.0	(742)	.0	(742)	.0	832,463	.0	196,272	196,272	46,701	07/01/2034	1FE
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						1,135,073	865,000	948,716	941,611	0	(1,332)	0	(1,332)	0	940,278	0	194,795	194,795	49,526	XXX	XXX
3128LX-S7-6	FHLMC GOLD #602342		06/15/2014	PRINCIPAL RECEIPT		50,492	50,492	54,902	54,863	.0	(4,371)	.0	(4,371)	.0	50,492	.0	.0	.0	997	10/01/2036	1
3128M5-K5-8	FHLMC GOLD #603616		06/15/2014	PRINCIPAL RECEIPT		38,127	38,127	42,297	42,266	.0	(4,139)	.0	(4,139)	.0	38,127	.0	.0	.0	899	12/01/2037	1
3128M5-NQ-9	FHLMC GOLD #603699		06/15/2014	PRINCIPAL RECEIPT		29,250	29,250	31,905	31,873	.0	(2,624)	.0	(2,624)	.0	29,250	.0	.0	.0	706	01/01/2038	1
3128MT-6K-9	FHLMC PC GOLD 10/20 11		06/15/2014	PRINCIPAL RECEIPT		34,633	34,633	38,562	38,510	.0	(3,877)	.0	(3,877)	.0	34,633	.0	.0	.0	862	09/01/2037	1
3128UN-CE-0	FHLMC PC GOLD 10/20 11		06/15/2014	PRINCIPAL RECEIPT		16,057	16,057	16,291	16,284	.0	(227)	.0	(227)	.0	16,057	.0	.0	.0	408	09/01/2037	1
3128PR-ZK-8	FHLMC PC GOLD 15 YR		06/15/2014	PRINCIPAL RECEIPT		11,584	11,584	12,159	12,112	.0	(528)	.0	(528)	.0	11,584	.0	.0	.0	181	07/01/2025	1
3128P7-PH-0	FHLMC PC GOLD CASH 20		06/15/2014	PRINCIPAL RECEIPT		262,459	262,459	282,922	283,539	.0	(21,080)	.0	(21,080)	.0	262,459	.0	.0	.0	4,581	08/01/2030	1
31288B-GV-0	FHLMC PC GOLD CASH 30		06/15/2014	PRINCIPAL RECEIPT		6,736	6,736	6,830	6,824	.0	(88)	.0	(88)	.0	6,736	.0	.0	.0	157	11/01/2032	1
3129ZH-GP-3	FHLMC PC GOLD CASH 30		06/15/2014	PRINCIPAL RECEIPT		951	951	962	961	.0	(10)	.0	(10)	.0	951	.0	.0	.0	28	12/01/2030	1
3129Z5-AB-6	FHLMC PC GOLD CASH 30		06/15/2014	PRINCIPAL RECEIPT		41,368	41,368	43,133	43,131	.0	(1,763)	.0	(1,763)	.0	41,368	.0	.0	.0	497	06/01/2042	1
3129Z5-AG-5	FHLMC PC GOLD CASH 30		06/15/2014	PRINCIPAL RECEIPT		4,883	4,883	5,219	5,216	.0	(333)	.0	(333)	.0	4,883	.0	.0	.0	67	08/01/2042	1
3132L5-A2-9	FHLMC PC GOLD C1 30YR		06/15/2014	PRINCIPAL RECEIPT		2,322	2,322	2,412	2,412	.0	(90)	.0	(90)	.0	2,322	.0	.0	.0	27	04/01/2043	1
3128MC-4J-1	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		31,194	31,194	33,194	33,129	.0	(1,935)	.0	(1,935)	.0	31,194	.0	.0	.0	490	08/01/2026	1
3128MC-GV-1	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		13,132	13,132	14,292	14,220	.0	(1,088)	.0	(1,088)	.0	13,132	.0	.0	.0	281	02/01/2024	1
3128MC-OG-3	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		18,293	18,293	19,649	19,585	.0	(1,292)	.0	(1,292)	.0	18,293	.0	.0	.0	324	06/01/2025	1
3128MD-JG-9	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		169,595	169,595	183,851	182,881	.0	(13,286)	.0	(13,286)	.0	169,595	.0	.0	.0	3,329	07/01/2025	1
3128MD-KB-8	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		118,723	118,723	127,089	126,699	.0	(7,976)	.0	(7,976)	.0	118,723	.0	.0	.0	2,086	07/01/2026	1
3128MD-M3-4	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		40,973	40,973	43,418	43,335	.0	(2,362)	.0	(2,362)	.0	40,973	.0	.0	.0	648	12/01/2026	1
3128MD-MX-8	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		172,873	172,873	184,920	184,014	.0	(11,141)	.0	(11,141)	.0	172,873	.0	.0	.0	3,735	12/01/2024	1
3128MD-NK-5	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		127,781	127,781	136,965	136,668	.0	(8,887)	.0	(8,887)	.0	127,781	.0	.0	.0	2,254	06/01/2026	1
3128MI-AG-8	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		27,621	27,621	29,706	29,147	.0	(1,526)	.0	(1,526)	.0	27,621	.0	.0	.0	599	08/01/2019	1
3128MI-OT-3	FHLMC PC GOLD COMB 15		06/15/2014	PRINCIPAL RECEIPT		4,786	4,786	4,894	4,901	.0	(115)	.0	(115)	.0	4,786	.0	.0	.0	47	05/01/2028	1
3128SH-6C-4	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		47,511	47,511	48,424	48,367	.0	(856)	.0	(856)	.0	47,511	.0	.0	.0	1,208	12/01/2032	1
3128SH-6D-2	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		27,383	27,383	27,993	27,939	.0	(556)	.0	(556)	.0	27,383	.0	.0	.0	684	12/01/2031	1

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STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
3128LD-FV-1	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		21,305	21,305	23,488	23,489	.0	(2,185)	.0	(2,185)	.0	21,305	.0	.0	.0	541	10/01/2037	1
3128M5-B7-4	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		28,271	28,271	31,045	31,101	.0	(2,830)	.0	(2,830)	.0	28,271	.0	.0	.0	679	09/01/2037	1
3128M5-C5-7	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		50,251	50,251	55,802	55,726	.0	(5,475)	.0	(5,475)	.0	50,251	.0	.0	.0	1,182	10/01/2037	1
3128M5-G0-7	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		39,437	39,437	43,794	43,733	.0	(4,296)	.0	(4,296)	.0	39,437	.0	.0	.0	924	07/01/2037	1
3128M5-QY-9	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		85,655	85,655	94,924	94,924	.0	(9,268)	.0	(9,268)	.0	85,655	.0	.0	.0	2,222	01/01/2038	1
3128M6-EC-8	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		66,533	66,533	72,012	71,999	.0	(5,466)	.0	(5,466)	.0	66,533	.0	.0	.0	1,308	02/01/2037	1
3128M6-NA-2	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		77,400	77,400	83,423	83,703	.0	(6,303)	.0	(6,303)	.0	77,400	.0	.0	.0	1,670	02/01/2038	1
3128M7-YJ-9	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		34,388	34,388	37,360	37,405	.0	(3,017)	.0	(3,017)	.0	34,388	.0	.0	.0	800	12/01/2039	1
3128M8-6L-3	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		75,569	75,569	83,126	83,135	.0	(7,566)	.0	(7,566)	.0	75,569	.0	.0	.0	1,615	12/01/2038	1
3128M8-CW-2	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		7,305	7,305	8,218	8,222	.0	(918)	.0	(918)	.0	7,305	.0	.0	.0	191	09/01/2038	1
3128M8-H5-6	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		1,623	1,623	1,688	1,688	.0	(65)	.0	(65)	.0	1,623	.0	.0	.0	26	02/01/2041	1
3128M8-H6-2	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		1,424	1,424	1,500	1,501	.0	(76)	.0	(76)	.0	1,424	.0	.0	.0	22	12/01/2040	1
3128M8-R3-0	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		2,979	2,979	3,206	3,205	.0	(226)	.0	(226)	.0	2,979	.0	.0	.0	47	12/01/2040	1
3128M8-Z7-2	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		23,916	23,916	26,081	26,102	.0	(2,186)	.0	(2,186)	.0	23,916	.0	.0	.0	472	09/01/2041	1
3128M9-B7-6	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		307,563	307,563	340,577	340,533	.0	(32,970)	.0	(32,970)	.0	307,563	.0	.0	.0	7,140	05/01/2040	1
3128M9-D7-4	FHLMC PC GOLD COMB 30		06/15/2014	VARIOUS		87,164	84,544	90,145	90,434	.0	(3,583)	.0	(3,583)	.0	86,851	.0	313	313	1,496	06/01/2042	1
3128M9-PP-2	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		143,543	143,543	158,794	158,963	.0	(15,420)	.0	(15,420)	.0	143,543	.0	.0	.0	3,080	01/01/2040	1
3128M9-LV-2	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		5,975	5,975	6,242	6,254	.0	(279)	.0	(279)	.0	5,975	.0	.0	.0	71	12/01/2042	1
3128M9-W5-7	FHLMC PC GOLD COMB 30		06/15/2014	VARIOUS		5,117,048	4,778,851	5,095,076	5,095,076	.0	(16,669)	.0	(16,669)	.0	5,078,390	.0	38,658	38,658	76,166	09/01/2041	1
3128MJ-O4-5	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		12,050	12,050	12,742	12,745	.0	(695)	.0	(695)	.0	12,050	.0	.0	.0	190	01/01/2042	1
3128MJ-O9-4	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		65,525	65,525	69,743	69,722	.0	(4,197)	.0	(4,197)	.0	65,525	.0	.0	.0	302	03/01/2042	1
3128MJ-SY-7	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		4,680	4,680	4,531	.0	.0	150	.0	150	.0	4,680	.0	.0	.0	.0	06/01/2043	1
3128MJ-TR-1	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		41,606	41,606	44,382	44,531	.0	(2,925)	.0	(2,925)	.0	41,606	.0	.0	.0	751	11/01/2043	1
312931-C3-0	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		114,967	114,967	125,817	125,899	.0	(10,932)	.0	(10,932)	.0	114,967	.0	.0	.0	2,338	02/01/2039	1
312936-NA-1	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		31,744	31,744	33,872	33,888	.0	(2,143)	.0	(2,143)	.0	31,744	.0	.0	.0	551	10/01/2039	1
312941-SV-0	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		1,699	1,699	1,815	1,815	.0	(115)	.0	(115)	.0	1,699	.0	.0	.0	27	08/01/2040	1
312943-D0-3	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		29,263	29,263	31,668	31,674	.0	(2,411)	.0	(2,411)	.0	29,263	.0	.0	.0	515	10/01/2040	1
312943-LU-0	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		5,072	5,072	5,418	5,416	.0	(344)	.0	(344)	.0	5,072	.0	.0	.0	80	11/01/2040	1
312944-FE-6	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		3,683	3,683	3,897	3,898	.0	(215)	.0	(215)	.0	3,683	.0	.0	.0	60	12/01/2040	1
312945-DS-4	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		661	661	697	697	.0	(35)	.0	(35)	.0	661	.0	.0	.0	10	01/01/2041	1
312945-XY-9	FHLMC PC GOLD COMB 30		06/15/2014	PRINCIPAL RECEIPT		5,176	5,176	5,464	5,465	.0	(288)	.0	(288)	.0	5,176	.0	.0	.0	80	02/01/2041	1
31320K-2F-2	FHLMC PC GOLD PC 30YR		06/15/2014	PRINCIPAL RECEIPT		4,719	4,719	5,046	5,045	.0	(327)	.0	(327)	.0	4,719	.0	.0	.0	73	12/01/2041	1
31320K-K9-1	FHLMC PC GOLD PC 30YR		06/15/2014	PRINCIPAL RECEIPT		12,802	12,802	13,634	13,632	.0	(829)	.0	(829)	.0	12,802	.0	.0	.0	178	09/01/2042	1
31320K-4K-5	FHLMC PC GOLD PC 30YR		06/15/2014	PRINCIPAL RECEIPT		5,932	5,932	6,208	6,211	.0	(279)	.0	(279)	.0	5,932	.0	.0	.0	72	01/01/2043	1
31290K-VZ-9	FHLMC PC GUAR 30 YEAR		06/15/2014	PRINCIPAL RECEIPT		452	452	461	454	.0	(2)	.0	(2)	.0	452	.0	.0	.0	14	07/01/2020	1
31300M-AM-5	FHLMC PC GUAR ADJ 30YR		06/15/2014	PRINCIPAL RECEIPT		285,560	285,560	290,736	290,725	.0	(5,165)	.0	(5,165)	.0	285,560	.0	.0	.0	2,235	03/01/2043	1
31322Y-U3-3	FHLMC PC JUMBO 30 YEAR		06/15/2014	PRINCIPAL RECEIPT		42,319	42,319	42,874	42,876	.0	(558)	.0	(558)	.0	42,319	.0	.0	.0	400	10/01/2042	1
31397C-K5-7	FHLMC REMIC SERIES 3243		06/15/2014	PRINCIPAL RECEIPT		113,374	113,374	121,452	120,368	.0	(6,994)	.0	(6,994)	.0	113,374	.0	.0	.0	2,329	11/15/2036	1
3137AL-XJ-3	FHLMC REMIC SERIES 4000		06/15/2014	PRINCIPAL RECEIPT		50,817	50,817	50,865	.0	.0	(48)	.0	(48)	.0	50,817	.0	.0	.0	106	07/15/2031	1
3137AY-CD-1	FHLMC REMIC SERIES K-025		06/25/2014	PRINCIPAL RECEIPT		872	872	889	887	.0	(15)	.0	(15)	.0	872	.0	.0	.0	6	04/25/2022	1
31392M-EM-0	FHLMC REMIC SERIES T0041		06/25/2014	PRINCIPAL RECEIPT		5,161	5,161	5,156	5,156	.0	.0	.0	.0	.0	5,161	.0	.0	.0	123	07/25/2032	1
31359S-R6-9	FNMA GRANTOR TRUST 2001-T4		06/25/2014	PRINCIPAL RECEIPT		7,188	7,188	7,415	7,213	.0	(25)	.0	(25)	.0	7,188	.0	.0	.0	216	07/25/2028	1
31392F-DC-8	FNMA GRANTOR TRUST 2002-T16		06/25/2014	PRINCIPAL RECEIPT		43,923	43,923	45,021	44,736	.0	(813)	.0	(813)	.0	43,923	.0	.0	.0	1,262	07/25/2042	1
31381D-IY-5	FNMA PASS-THRU GNM-BK MGA 30		06/25/2014	PRINCIPAL RECEIPT		1,917	1,917	1,942	1,932	.0	(15)	.0	(15)	.0	1,917	.0	.0	.0	50	05/20/2023	1
31405F-O5-8	FNMA PASS-THRU GOV SINGLE FAM		06/25/2014	PRINCIPAL RECEIPT		597	597	629	627	.0	(30)	.0	(30)	.0	597	.0	.0	.0	16	10/01/2032	1
31384V-ML-3	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		3,771	3,771	3,890	3,767	.0	.0	.0	.0	.0	3,771	.0	.0	.0	101	12/01/2014	1
313847-G6-9	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		6,026	6,026	6,312	6,290	.0	(264)	.0	(264)	.0	6,026	.0	.0	.0	96	02/01/2026	1
31384F-KH-2	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		5,897	5,897	6,301	6,288	.0	(392)	.0	(392)	.0	5,897	.0	.0	.0	97	05/01/2026	1
3138EG-RS-5	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		1,858	1,858	1,988	.0	.0	(130)	.0	(130)	.0	1,858	.0	.0	.0	7	08/01/2024	1
3138EJ-E3-8	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		2,319	2,319	2,486	.0	.0	(167)	.0	(167)	.0	2,319	.0	.0	.0	8	01/01/2027	1
3138EJ-KA-5	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		13,949	13,949	14,905	11,630	.0	(943)	.0	(943)	.0	13,949	.0	.0	.0	176	09/01/2026	1
3138EJ-WY-0	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		18,114	18,114	18,168	18,204	.0	(90)	.0	(90)	.0	18,114	.0	.0	.0	180	10/01/2027	1
3138EL-TE-3	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		126,539	126,539	134,705	134,601	.0	(8,062)	.0	(8,062)	.0	126,539	.0	.0	.0	2,251	01/01/2027	1
3138EM-U6-6	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		55,011	55,011	55,526	.0	.0	(516)	.0	(516)	.0	55,011	.0	.0	.0	102	02/01/2028	1
3138LY-2K-2	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		15,827	15,827	16,698	16,685	.0	(858)	.0	(858)	.0	15,827	.0	.0	.0	189	06/01/2027	1
3138MD-2T-8	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		17,890	17,890	18,691	18,679	.0	(789)	.0	(789)	.0	17,890	.0	.0	.0	173	10/01/2027	1
3138WP-JE-5	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		3,686	3,686	3,864	3,868	.0	(182)	.0	(182)	.0	3,686	.0	.0	.0	36	04/01	

STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31403D-DK-2	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		55,182	55,182	56,182	55,785	.0	(603)	.0	(603)	.0	55,182	.0	.0	.0	1,283	03/01/2021	1
31410L-EC-2	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		26,775	26,775	29,042	28,813	.0	(2,039)	.0	(2,039)	.0	26,775	.0	.0	.0	544	07/01/2024	1
31411A-JN-6	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		52,544	52,544	53,382	53,160	.0	(616)	.0	(616)	.0	52,544	.0	.0	.0	1,224	11/01/2021	1
31412Q-EQ-8	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		3,699	3,699	3,979	.0	.0	(280)	.0	(280)	.0	3,699	.0	.0	.0	15	08/01/2024	1
31416B-OD-3	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		58,845	58,845	63,929	63,048	.0	(4,203)	.0	(4,203)	.0	58,845	.0	.0	.0	1,278	01/01/2021	1
31416Y-U3-0	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		22,937	22,937	24,600	24,558	.0	(1,621)	.0	(1,621)	.0	22,937	.0	.0	.0	355	07/01/2026	1
31417C-7C-3	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		24,116	24,116	25,507	25,475	.0	(1,358)	.0	(1,358)	.0	24,116	.0	.0	.0	281	09/01/2027	1
31417D-CC-5	FNMA PASS-THRU INT 15 YEAR		06/25/2014	PRINCIPAL RECEIPT		10,921	10,921	11,435	11,432	.0	(511)	.0	(511)	.0	10,921	.0	.0	.0	114	10/01/2027	1
3138EM-JY-8	FNMA PASS-THRU INT 20 YEAR		06/25/2014	PRINCIPAL RECEIPT		58,886	58,886	62,447	.0	.0	(3,561)	.0	(3,561)	.0	58,886	.0	.0	.0	328	10/01/2032	1
31416W-5Z-1	FNMA PASS-THRU INT 20 YEAR		06/25/2014	PRINCIPAL RECEIPT		32,892	32,892	35,080	35,080	.0	(2,188)	.0	(2,188)	.0	32,892	.0	.0	.0	518	11/01/2030	1
31418A-5Z-7	FNMA PASS-THRU INT 20 YEAR		06/25/2014	VARIOUS		726,442	697,323	719,006	.0	.0	(686)	.0	(686)	.0	718,320	.0	8,122	8,122	6,807	01/01/2034	1
31368H-LZ-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		75,652	75,652	79,908	79,834	.0	(4,181)	.0	(4,181)	.0	75,652	.0	.0	.0	1,811	12/01/2033	1
31371K-T9-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		4,979	4,979	4,995	4,991	.0	(12)	.0	(12)	.0	4,979	.0	.0	.0	105	09/01/2032	1
31371N-H4-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		13,910	13,910	14,577	14,558	.0	(648)	.0	(648)	.0	13,910	.0	.0	.0	384	08/01/2037	1
3138A2-BX-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		9,934	9,934	10,685	10,691	.0	(757)	.0	(757)	.0	9,934	.0	.0	.0	179	12/01/2040	1
3138EH-JH-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		28,515	28,515	32,187	32,229	.0	(3,713)	.0	(3,713)	.0	28,515	.0	.0	.0	725	10/01/2039	1
3138EK-F5-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		4,933	4,933	5,323	5,323	.0	(390)	.0	(390)	.0	4,933	.0	.0	.0	84	12/01/2041	1
3138MQ-TK-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		146	146	135	.0	.0	11	.0	11	.0	146	.0	.0	.0	1	12/01/2042	1
3138MR-K6-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		784	784	728	.0	.0	56	.0	56	.0	784	.0	.0	.0	5	01/01/2043	1
3138ML-L3-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	VARIOUS		99,748	98,137	103,593	103,797	.0	(1,146)	.0	(1,146)	.0	102,651	.0	(2,903)	(2,903)	1,551	01/01/2043	1
3138NX-KF-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		47,403	47,403	49,699	49,686	.0	(2,284)	.0	(2,284)	.0	47,403	.0	.0	.0	626	01/01/2043	1
3138NY-KJ-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		4,482	4,482	4,345	4,343	.0	138	.0	138	.0	4,482	.0	.0	.0	55	01/01/2043	1
3138NY-4L-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		1,087	1,087	1,009	.0	.0	78	.0	78	.0	1,087	.0	.0	.0	6	02/01/2043	1
3138NY-EY-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		74,078	74,078	77,666	77,646	.0	(3,569)	.0	(3,569)	.0	74,078	.0	.0	.0	881	01/01/2043	1
3138Y9-2G-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		10,370	10,370	9,986	.0	.0	384	.0	384	.0	10,370	.0	.0	.0	40	10/01/2043	1
3138WQ-AT-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		702	702	652	.0	.0	51	.0	51	.0	702	.0	.0	.0	4	05/01/2043	1
3138WQ-AX-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	VARIOUS		130,194	132,248	126,607	126,591	.0	578	.0	578	.0	127,170	.0	3,025	3,025	1,513	05/01/2043	1
3138X0-Y9-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	VARIOUS		746,488	735,293	733,914	736,046	.0	(29)	.0	(29)	.0	736,017	.0	10,470	10,470	12,412	07/01/2043	1
31402C-Y3-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		67,263	67,263	71,982	71,884	.0	(4,621)	.0	(4,621)	.0	67,263	.0	.0	.0	1,558	03/01/2034	1
31402R-AQ-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		16,909	16,909	17,364	17,333	.0	(424)	.0	(424)	.0	16,909	.0	.0	.0	429	12/01/2032	1
31402R-AS-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		25,366	25,366	26,090	26,059	.0	(692)	.0	(692)	.0	25,366	.0	.0	.0	644	03/01/2035	1
31402R-H2-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		6,678	6,678	6,740	6,735	.0	(57)	.0	(57)	.0	6,678	.0	.0	.0	160	12/01/2032	1
31402R-JV-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	VARIOUS		148,328	139,568	152,194	152,241	.0	(5,272)	.0	(5,272)	.0	146,969	.0	1,359	1,359	3,071	07/01/2035	1
31402R-LZ-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		3,631	3,631	4,045	4,045	.0	(414)	.0	(414)	.0	3,631	.0	.0	.0	85	08/01/2035	1
31410K-DN-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		50,646	50,646	55,561	55,628	.0	(4,981)	.0	(4,981)	.0	50,646	.0	.0	.0	1,173	05/01/2038	1
31410K-T8-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		52,735	52,735	58,174	58,373	.0	(5,638)	.0	(5,638)	.0	52,735	.0	.0	.0	1,256	05/01/2037	1
31410K-US-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		63,441	63,441	69,949	69,966	.0	(6,525)	.0	(6,525)	.0	63,441	.0	.0	.0	1,364	08/01/2037	1
31410K-XM-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		79,838	79,838	88,799	88,767	.0	(8,929)	.0	(8,929)	.0	79,838	.0	.0	.0	2,005	10/01/2038	1
31410L-DU-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		2,443	2,443	2,622	2,624	.0	(181)	.0	(181)	.0	2,443	.0	.0	.0	41	02/01/2041	1
31410L-MN-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		18,378	18,378	17,872	.0	.0	506	.0	506	.0	18,378	.0	.0	.0	124	11/01/2043	1
31411B-GT-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		44,621	44,621	48,916	49,047	.0	(4,426)	.0	(4,426)	.0	44,621	.0	.0	.0	946	12/01/2036	1
31416C-JV-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		58,662	58,662	65,188	65,207	.0	(6,545)	.0	(6,545)	.0	58,662	.0	.0	.0	1,366	11/01/2038	1
31416H-H3-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		31,247	31,247	34,181	34,213	.0	(2,966)	.0	(2,966)	.0	31,247	.0	.0	.0	642	06/01/2040	1
31416X-J7-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	VARIOUS		60,395	59,945	63,500	63,510	.0	(2,831)	.0	(2,831)	.0	60,679	.0	(284)	(284)	887	01/01/2041	1
31417D-2G-7	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		2,760	2,760	2,898	2,898	.0	(137)	.0	(137)	.0	2,760	.0	.0	.0	35	11/01/2042	1
31417D-3H-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		4,991	4,991	5,254	5,263	.0	(272)	.0	(272)	.0	4,991	.0	.0	.0	61	11/01/2042	1
31417D-F9-9	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		1,013	1,013	1,072	1,071	.0	(58)	.0	(58)	.0	1,013	.0	.0	.0	12	10/01/2042	1
31417D-GE-7	FNMA PASS-THRU LNG 30 YEAR		05/25/2014	VARIOUS		102,521	105,037	102,345	102,354	.0	58	.0	58	.0	102,412	.0	109	109	1,408	10/01/2042	1
31417D-LP-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		20,383	20,383	21,438	21,437	.0	(1,054)	.0	(1,054)	.0	20,383	.0	.0	.0	299	10/01/2042	1
31417D-MU-4	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		1,207	1,207	1,271	1,270	.0	(63)	.0	(63)	.0	1,207	.0	.0	.0	15	10/01/2042	1
31417D-MV-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		3,245	3,245	3,418	3,417	.0	(172)	.0	(172)	.0	3,245	.0	.0	.0	38	10/01/2042	1
31417D-QH-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		4,457	4,457	4,688	4,688	.0	(231)	.0	(231)	.0	4,457	.0	.0	.0	55	10/01/2042	1
31417E-CX-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		4,003	4,003	4,138	4,147	.0	(144)	.0	(144)	.0	4,003	.0	.0	.0	46	12/01/2042	1
31417E-WG-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		5,660	5,660	5,830	5,841	.0	(181)	.0	(181)	.0	5,660	.0	.0	.0	69	02/01/2043	1
31417V-N6-6	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		26,906	26,906	28,852	28,848	.0	(1,942)	.0	(1,942)	.0	26,906	.0	.0	.0	465	12/01/2039	1
31417Y-W4-5	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		10,827	10,827	11,659	11,666	.0	(839)	.0	(839)	.0	10,827	.0	.0	.0	184	03/01/2041	1
31418M-2T-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		5,652	5,652	6,259	6,260	.0	(607)	.0	(

STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31418M-G4-8	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		43,782	43,782	48,775	48,776	0	(4,994)	0	(4,994)	0	43,782	0	0	0	1,031	09/01/2036	1
31418M-G6-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		102,304	102,304	112,678	112,545	0	(10,242)	0	(10,242)	0	102,304	0	0	0	2,201	09/01/2038	1
31418U-4W-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		7,690	7,690	8,451	8,500	0	(761)	0	(761)	0	7,690	0	0	0	36	07/01/2040	1
31419A-4N-4	FNMA PASS-THRU LNG 30 YEAR		06/12/2014	INC/		186,772	182,788	186,729	0	0	466	0	466	0	187,195	0	(423)	(423)	284	02/01/2041	1
31419A-G4-3	FNMA PASS-THRU LNG 30 YEAR		05/25/2014	VARIOUS		133,037	124,331	134,433	134,439	0	(486)	0	(486)	0	133,953	0	(916)	(916)	2,497	08/01/2040	1
31419A-NJ-2	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	VARIOUS		205,919	191,323	209,917	210,000	0	(5,326)	0	(5,326)	0	204,673	0	1,245	1,245	3,382	12/01/2039	1
31419A-P5-0	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		17,371	17,371	19,635	19,647	0	(2,276)	0	(2,276)	0	17,371	0	0	0	449	10/01/2039	1
31419A-VS-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	VARIOUS		447,975	428,944	452,200	453,580	0	(730)	0	(730)	0	452,849	0	(4,875)	(4,875)	5,406	11/01/2040	1
31419B-BT-1	FNMA PASS-THRU LNG 30 YEAR		04/25/2014	VARIOUS		185,066	178,605	190,522	190,528	0	(144)	0	(144)	0	190,384	0	(5,318)	(5,318)	2,506	02/01/2041	1
31419F-FV-3	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	PRINCIPAL RECEIPT		8,226	8,226	8,820	8,825	0	(589)	0	(589)	0	8,226	0	0	0	166	11/01/2040	1
31419J-SV-1	FNMA PASS-THRU LNG 30 YEAR		06/25/2014	VARIOUS		206,833	192,478	204,237	204,325	0	(586)	0	(586)	0	203,739	0	3,094	3,094	4,084	11/01/2040	1
31371N-LS-2	FNMA PASS-THRU LNG 10 7-10YR		06/25/2014	PRINCIPAL RECEIPT		11,850	11,850	12,067	12,068	0	(217)	0	(217)	0	11,850	0	0	0	288	10/01/2037	1
31410G-LR-2	FNMA PASS-THRU LNG 10 7-10YR		06/25/2014	PRINCIPAL RECEIPT		26,601	26,601	28,583	28,615	0	(2,014)	0	(2,014)	0	26,601	0	0	0	602	10/01/2037	1
31413Q-PD-4	FNMA PASS-THRU LNG 10 7-10YR		06/25/2014	PRINCIPAL RECEIPT		51,055	51,055	52,538	52,538	0	(1,484)	0	(1,484)	0	51,055	0	0	0	1,393	10/01/2037	1
31418M-CG-5	FNMA PASS-THRU LNG 10 7-10YR		06/25/2014	PRINCIPAL RECEIPT		74,132	74,132	79,089	79,155	0	(5,023)	0	(5,023)	0	74,132	0	0	0	1,968	12/01/2037	1
31418M-XZ-0	FNMA PASS-THRU LNG 10 7-10YR		06/25/2014	PRINCIPAL RECEIPT		19,285	19,285	20,547	20,522	0	(1,237)	0	(1,237)	0	19,285	0	0	0	438	05/01/2038	1
31402C-SS-7	FNMA PASS-THRU MEGA MULTI 7		04/30/2014	VARIOUS		91,345	91,345	88,187	90,732	0	613	0	613	0	91,345	0	0	0	1,471	04/01/2014	1
31403D-GP-8	FNMA PASS-THRU MEGA MULTI 7		06/25/2014	PRINCIPAL RECEIPT		4,265	4,265	4,439	4,347	0	(82)	0	(82)	0	4,265	0	0	0	91	02/01/2031	1
31387D-30-0	FNMA POOL #581407		06/25/2014	PRINCIPAL RECEIPT		84	84	86	86	0	(1)	0	(1)	0	84	0	0	0	2	06/01/2031	1
31410F-UC-7	FNMA POOL #888079 6.500%		06/25/2014	PRINCIPAL RECEIPT		28,209	28,209	28,899	28,756	0	(547)	0	(547)	0	28,209	0	0	0	753	10/01/2026	1
31410K-LK-8	FNMA POOL #889886 7.000%		06/25/2014	PRINCIPAL RECEIPT		20,353	20,353	21,307	21,282	0	(929)	0	(929)	0	20,353	0	0	0	559	12/01/2037	1
31392E-S8-4	FNMA REMIC TRUST 2002-W10		06/25/2014	PRINCIPAL RECEIPT		18,191	18,191	18,168	18,167	0	24	0	24	0	18,191	0	0	0	458	08/25/2042	1
31392D-H7-0	FNMA REMIC TRUST 2002-W6		06/25/2014	PRINCIPAL RECEIPT		12,404	12,404	13,605	12,616	0	(212)	0	(212)	0	12,404	0	0	0	351	06/25/2042	1
31392D-P9-7	FNMA REMIC TRUST 2002-W8		06/25/2014	PRINCIPAL RECEIPT		5,737	5,737	6,018	5,727	0	9	0	9	0	5,737	0	0	0	174	06/25/2042	1
31398G-4P-1	FNMA REMIC TRUST 2010-2		06/25/2014	PRINCIPAL RECEIPT		170,770	170,770	180,003	180,003	0	(9,232)	0	(9,232)	0	170,770	0	0	0	2,545	12/25/2049	1
3136A3-7D-7	FNMA REMIC TRUST 2012-39		06/25/2014	PRINCIPAL RECEIPT		32,119	32,119	34,047	33,652	0	(1,533)	0	(1,533)	0	32,119	0	0	0	452	03/25/2042	1
3136AH-BX-7	FNMA REMIC TRUST 2013-123		06/25/2014	PRINCIPAL RECEIPT		31,268	31,268	31,903	31,903	0	(635)	0	(635)	0	31,268	0	0	0	81	05/25/2043	1
575577-MV-0	MASSACHUSETTS BAY TRANSN AUTH		04/14/2014	SECURI		149,845	125,000	156,776	151,265	0	(1,098)	0	(1,098)	0	150,166	0	(321)	(321)	4,965	07/01/2020	1FE
646139-X8-3	NEW JERSEY ST TPK AUTH TPK REV		04/03/2014	BARCLAYS CAPITAL INC		134,203	100,000	100,000	100,000	0	0	0	0	0	100,000	0	34,203	34,203	5,465	01/01/2041	1FE
647677-AJ-2	NEW ORLEANS LA NAVY HSG MILITA		05/27/2014	ASSOCIATE		2,095,000	2,000,000	2,049,680	0	0	(44)	0	(44)	0	2,049,636	0	45,364	45,364	11,700	12/15/2038	1FE
64971Q-HQ-9	NEW YORK N Y CITY TRANSITIONAL		06/17/2014	M LYNCH, PIERCE, FENNER, & S		70,250	60,000	73,239	71,165	0	(602)	0	(602)	0	70,563	0	(314)	(314)	1,908	11/01/2024	1FE
64971Q-JS-3	NEW YORK N Y CITY TRANSITIONAL		06/17/2014	S		69,248	60,000	71,953	69,905	0	(594)	0	(594)	0	69,311	0	(62)	(62)	2,658	02/01/2025	1FE
64971Q-VC-4	NEW YORK N Y CITY TRANSITIONAL		04/14/2014	FUNB-FUNDS I I		123,933	105,000	131,062	127,521	0	(709)	0	(709)	0	126,812	0	(2,880)	(2,880)	2,421	05/01/2023	1FE
92813T-EE-6	VIRGINIA ST HSG DEV AUTH HOMEO		06/25/2014	PRINCIPAL RECEIPT		9,629	9,629	9,629	9,629	0	0	0	0	0	9,629	0	0	0	114	08/25/2042	1FE
3199999	Subtotal - Bonds - U.S. Special Revenues					16,808,451	16,161,455	17,107,450	13,700,782	0	(411,233)	0	(411,233)	0	16,680,782	0	127,666	127,666	258,364	XXX	XXX
00817Y-AN-8	AETNA INC NEW		04/24/2014	MCDONALD & COMPANY		109,458	110,000	109,890	0	0	3	0	3	0	109,893	0	(435)	(435)	350	03/15/2019	2FE
037735-CG-0	APPALACHIAN PWIR CO		04/10/2014	BANC AMERICA SECURITIES		195,235	160,000	194,131	192,781	0	(229)	0	(229)	0	192,552	0	2,684	2,684	5,497	04/01/2036	2FE
05850W-AF-5	BANC AMER CMBS 2006-4		06/10/2014	PRINCIPAL RECEIPT		7,688	7,688	8,689	8,161	0	(473)	0	(473)	0	7,688	0	0	0	159	07/10/2046	1FM
059513-AE-1	BANC AMER CMBS 2007-4		06/10/2014	PRINCIPAL RECEIPT		2,051	2,051	2,351	2,220	0	(169)	0	(169)	0	2,051	0	0	0	44	02/10/2051	1FM
06051G-ET-2	BANK AMER CORP		06/18/2014	MERRILL LYNCH PROFESSNL		1,505,790	1,500,000	1,474,650	1,476,846	0	2,553	0	2,553	0	1,479,400	0	26,390	26,390	28,500	01/11/2018	1FE
067383-AD-1	BARD C R INC		06/24/2014	CFG CAPITAL MARKETS LLC		988,750	1,000,000	1,005,000	1,004,275	0	(497)	0	(497)	0	1,003,778	0	(15,028)	(15,028)	13,063	01/15/2018	1FE
071813-BA-6	BAXTER INTL INC		06/23/2014	CFG CAPITAL MARKETS LLC		1,101,960	1,000,000	1,100,170	0	0	(3,888)	0	(3,888)	0	1,096,282	0	5,678	5,678	16,375	08/15/2019	1FE
05490A-AA-1	BB-LBS TRUST 2012-TFT 144A		05/21/2014	RAYMOND JAMES & ASSOCIATE		2,242,500	2,300,000	2,369,000	2,360,392	0	(3,104)	0	(3,104)	0	2,357,288	0	(114,788)	(114,788)	32,360	06/07/2030	1FM
084664-BV-2	BERKSHIRE HATHAWAY FIN CORP		04/24/2014	GOLDMAN, SACHS & CO.		116,470	120,000	119,020	119,030	0	5	0	5	0	119,035	0	(2,566)	(2,566)	2,351	05/15/2043	1FE
05568Y-AA-6	BNSF RAILWAY CO 2007-1		04/01/2014	PRINCIPAL RECEIPT		30,265	30,265	30,265	30,265	0	0	0	0	0	30,265	0	0	0	907	04/01/2024	1FE
116663-AC-9	BRUCE JANSFIELD UNIT 2007-1		06/01/2014	PRINCIPAL RECEIPT		2,900	2,900	2,900	2,900	0	0	0	0	0	2,900	0	0	0	0	06/01/2034	2AM

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STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
12189L-AR-2	BURLINGTON NORTH SANTA FE CP		05/09/2014	JEFFERIES & CO BONDS DIR		30,761	30,000	29,902	0	0	1	0	1	0	29,903	0	858	858	203	04/01/2024	2FE
151020-AL-8	CELGENE CORP SR NT		05/15/2014	MORGAN STANLEY & CO. INC			125,713	115,000	114,019	114,025	5	0	5	0	114,030	0	11,684	11,684	4,763	08/15/2043	2FE
172967-GK-1	CITIGROUP INC		05/01/2014	VARIOUS		680,277	675,000	680,929	680,277	0	(160)	0	(160)	0	680,117	0	97	97	20,318	07/30/2022	2FE
12613S-AC-6	ONH EQUIPMENT TR 2013-C		06/11/2014	BANC AMERICA SECURITIES		80,406	80,000	80,356	80,328	0	(63)	0	(63)	0	80,265	0	141	141	410	08/15/2018	1FE
12622D-AA-2	COMM MTG TR 2012-LTRT 144A		06/12/2014	PRINCIPAL RECEIPT		10,203	10,203	10,602	10,527	0	(323)	0	(323)	0	10,203	0	0	0	134	07/12/2046	1FM
12624N-AA-8	COMM MTG TR 2012-LTRT 144A		06/06/2014	PRINCIPAL RECEIPT		31,102	31,102	32,129	32,019	0	(917)	0	(917)	0	31,102	0	0	0	279	10/07/2030	1FM
210795-PZ-7	CONTINENTAL AIRLINE PT TR 2012-1		04/11/2014	Sink PMT @ 100.0000000		4,553	4,553	4,521	4,526	0	27	0	27	0	4,553	0	0	0	94	10/11/2025	2FE
224044-BV-8	COX COMMUNICATIONS INC NEW		06/06/2014	VARIOUS		194,048	140,000	201,526	199,656	0	(476)	0	(476)	0	199,180	0	(5,132)	(5,132)	8,901	03/01/2039	2FE
23311V-AF-4	DCP MIDSTREAM OPERATING PL		05/27/2014	MARK		55,203	50,000	49,503	50,000	0	1	0	1	0	49,504	0	5,698	5,698	591	04/01/2044	2FE
25272U-AA-9	DIAMOND RESORTS TR 144A		06/20/2014	PRINCIPAL RECEIPT		15,234	15,234	15,231	15,260	0	(26)	0	(26)	0	15,234	0	0	0	136	05/20/2026	1FE
25459H-AU-9	DIRECTV HLDGS LLC / DIRECTV		05/29/2014	VARIOUS		398,492	340,000	391,921	381,201	0	(2,597)	0	(2,597)	0	378,604	0	19,888	19,888	13,224	10/01/2019	2FE
25459H-BF-1	DIRECTV HLDGS LLC / DIRECTV		05/23/2014	VARIOUS		113,372	110,000	108,859	107,000	0	27	0	27	0	108,886	0	4,486	4,486	2,942	03/15/2022	2FE
25755T-AC-4	DOMINOS PIZZA MSTR 2012-1 144A		04/25/2014	PRINCIPAL RECEIPT		1,406	1,406	1,465	1,455	0	(49)	0	(49)	0	1,406	0	0	0	37	01/25/2042	4AM
26138E-AQ-2	DR PEPPER SNAPPLE GROUP INC		04/30/2014	LINSCO/PRIVATE LEDGER		974,500	1,000,000	946,380	948,334	0	2,594	0	2,594	0	950,927	0	23,573	23,573	16,111	01/15/2020	2FE
29372E-AY-4	ENTERPRISE FLEET FNC 144A		06/20/2014	COR		5,802	5,802	5,801	5,805	0	(3)	0	(3)	0	5,802	0	0	0	31	03/20/2019	1FE
29379V-AT-0	ENTERPRISE PRODS OPER LLC		05/15/2014	US WARBURG		275,793	230,000	260,871	260,015	0	(196)	0	(196)	0	259,819	0	15,974	15,974	10,986	02/01/2041	2FE
33803W-AA-7	FISHERS LANE ASSOCS LLC BD 144A		05/14/2014	RAYMOND JAMES & ASSOCIATE		990,080	1,000,000	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	(9,920)	(9,920)	16,701	08/05/2030	1FE
30261K-AN-6	FREMF MTG TR 2012-K711 144A		05/13/2014	GOLDMAN, SACHS & CO. CREDIT SUISSE FIRST		158,560	155,000	157,700	157,238	0	(158)	0	(158)	0	157,080	0	1,480	1,480	2,554	08/25/2045	1FM
30261Q-AJ-2	FREMF MTG TR 2013-K26 144A		05/07/2014	BOSTO		107,770	110,000	112,368	112,525	0	(95)	0	(95)	0	112,430	0	(4,660)	(4,660)	1,786	12/25/2045	1FM
30291E-AE-4	FREMF MTG TR 2013-K712 144A		05/13/2014	DEUTSCHE BANK SECURITIES		75,812	75,000	76,529	76,361	0	(87)	0	(87)	0	76,274	0	(463)	(463)	1,168	05/25/2045	1FM
30261U-AJ-3	FREMF MTG TR 2013-K713 144A		05/09/2014	BANC AMERICA SECURITIES		149,531	150,000	146,170	146,429	0	164	0	164	0	146,594	0	2,938	2,938	2,169	04/25/2046	1FM
36962G-GK-5	GENERAL ELEC CAP CORP MTN BE		06/23/2014	LINSCO/PRIVATE LEDGER		1,002,060	1,000,000	1,005,000	1,004,011	0	(481)	0	(481)	0	1,003,530	0	(1,470)	(1,470)	9,600	11/20/2017	1FE
38143U-XV-8	GOLDMAN SACHS GROUP INC		06/23/2014	COR		511,250	500,000	512,500	512,248	0	(2,183)	0	(2,183)	0	510,065	0	1,185	1,185	6,581	08/24/2016	1FE
411707-AA-0	HARDEES FUND LLC 144A		06/20/2014	CFG CAPITAL MARKETS LLC		1,219	1,219	1,226	1,216	9	(7)	0	2	0	1,219	0	0	0	14	03/20/2043	3AM
448579-AC-6	HYATT HOTELS CORP		05/05/2014	STIFEL, NICOLAUS & CO., IN		227,266	215,000	226,494	222,054	0	(930)	0	(930)	0	221,124	0	6,142	6,142	6,086	08/15/2016	2FE
44890P-AB-1	HYUNDAI AUTO LEASE TR 144A		06/15/2014	VARIOUS		225,352	225,000	224,982	225,071	0	(62)	0	(62)	0	225,009	0	343	343	828	03/15/2016	1FE
458140-AL-4	INTEL CORP		06/20/2014	LINSCO/PRIVATE LEDGER		2,985,000	3,000,000	3,010,290	3,008,515	0	(988)	0	(988)	0	3,007,527	0	(22,527)	(22,527)	21,375	12/15/2017	1FE
46186N-AA-6	INVITATION HOMES TR 2013 144A		06/19/2014	COR		430	430	430	430	0	0	0	0	0	430	0	0	0	3	12/19/2030	1FE
46625H-HZ-6	JPMORGAN CHASE & CO		06/23/2014	CFG CAPITAL MARKETS LLC		822,600	750,000	811,688	810,488	0	(3,491)	0	(3,491)	0	806,996	0	15,604	15,604	21,776	05/10/2021	1FE
48518B-AK-2	KANSAS CITY SOUTH RY CO 144A		06/25/2014	EXCHANGE		241,192	250,000	241,051	241,124	0	68	0	68	0	241,192	0	0	0	5,403	05/15/2043	2FE
50179A-AE-7	LB-UBS CIBS 2007-C1		06/17/2014	PRINCIPAL RECEIPT		5,283	5,283	5,968	5,678	0	(395)	0	(395)	0	5,283	0	0	0	104	02/15/2040	1FM
52109P-AE-5	LB-UBS CIBS 2007-C6		06/17/2014	PRINCIPAL RECEIPT		48,788	48,788	52,508	0	0	(3,720)	0	(3,720)	0	48,788	0	0	0	426	07/15/2040	1FM
50181Q-AH-1	LCOR ALEXANDRIA L L C 144A		05/29/2014	VARIOUS		3,258,750	2,750,000	3,195,043	917,888	0	(5,415)	0	(5,415)	0	3,181,093	0	77,657	77,657	53,267	09/15/2028	2
57629W-BS-8	MASSMUTUAL GLBL FDG I I MTN144A		04/09/2014	US BANCORP INVESTMENTS		201,460	200,000	199,632	199,662	0	19	0	19	0	199,681	0	1,779	1,779	2,940	08/02/2018	1FE
594918-AH-7	MICROSOFT CORP		04/29/2014	IN		2,065,000	2,000,000	2,150,000	2,132,023	0	(6,024)	0	(6,024)	0	2,125,999	0	(60,999)	(60,999)	35,167	10/01/2020	1FE
594918-AJ-3	MICROSOFT CORP		05/14/2014	BOENNING & SCATTERGOOD		1,042,610	1,000,000	960,870	961,036	0	271	0	271	0	961,307	0	81,303	81,303	28,500	10/01/2040	1FE
594918-AW-4	MICROSOFT CORP		06/24/2014	MERRILL LYNCH PROFESSIONL		2,087,400	2,000,000	2,070,800	0	0	(996)	0	(996)	0	2,069,804	0	17,596	17,596	40,479	12/15/2023	1FE
59025W-AE-6	ML MTG TRUST 2008-C1		06/13/2014	C		3,249	3,249	3,700	3,522	0	(273)	0	(273)	0	3,249	0	0	0	79	02/12/2051	1FM
553893-AA-6	MW OWNER TRUST 2013-144A		06/20/2014	PRINCIPAL RECEIPT		6,958	6,958	6,958	6,971	0	(12)	0	(12)	0	6,958	0	0	0	58	04/22/2030	1FE
629568-AY-2	NABORS INDS INC 144A		06/26/2014	EXCHANGE		39,983	40,000	39,977	39,979	0	4	0	4	0	39,983	0	0	0	478	09/15/2016	2FE

E05.5

STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
629568-BA-3	NABORS INDS INC 144A		06/26/2014	EXCHANGE		1,040,026	1,000,000	1,041,210	.0	.0	(1,184)	.0	(1,184)	.0	1,040,026	.0	.0	.0	25,925	09/15/2023	2FE
638671-AG-2	NATIONWIDE MUT INS CO 144A		05/22/2014	CALLED @ 100.0000000		2,000,000	2,000,000	2,036,000	2,035,753	.0	(35,753)	.0	(35,753)	.0	2,000,000	.0	.0	.0	79,566	04/15/2034	1FE
654730-AX-1	NISOURCE FIN CORP		05/15/2014			261,887	225,000	256,176	255,311	.0	(201)	.0	(201)	.0	255,110	.0	6,776	6,776	5,764	06/15/2041	2FE
72650R-AW-2	PLAINS ALL AMERN PIPELINE L P		05/05/2014	STIFEL, NICOLAUS & CO., IN		197,455	170,000	197,475	192,010	.0	(1,137)	.0	(1,137)	.0	190,873	.0	6,582	6,582	7,956	01/15/2020	2FE
72650R-BB-7	PLAINS ALL AMERN PIPELINE L P		04/24/2014	GOLDMAN, SACHS & CO. MERRILL LYNCH PROFESSIONL		56,827	60,000	59,851	59,861	.0	.4	.0	.4	.0	59,865	.0	(3,038)	(3,038)	1,278	01/31/2023	2FE
74005P-BH-6	PRAXAIR INC		06/19/2014	C		975,830	1,000,000	950,400	953,630	.0	4,245	.0	4,245	.0	957,875	.0	17,955	17,955	7,882	11/07/2018	1FE
744533-BK-5	PUBLIC SERVICE CO OKLA		04/08/2014	BARCLAYS CAPITAL INC WACHOVIA SECURITIES		129,821	115,000	131,396	130,152	.0	(638)	.0	(638)	.0	129,514	.0	307	307	2,139	12/01/2019	2FE
75884R-AR-4	REGENCY CTRS L P		05/05/2014	CAPIT		103,499	90,000	102,396	100,122	.0	(476)	.0	(476)	.0	99,646	.0	3,853	3,853	2,145	06/15/2020	2FE
759351-AG-4	REINSURANCE GROUP AMER INC		06/24/2014	RAYMOND JAMES & ASSOCIATE		973,131	827,000	913,546	887,281	.0	(4,303)	.0	(4,303)	.0	882,978	.0	90,153	90,153	32,894	11/15/2019	2FE
759351-AL-3	REINSURANCE GROUP AMER INC		06/24/2014	RAYMOND JAMES & ASSOCIATE		1,065,850	1,000,000	1,043,740	1,043,121	.0	(1,754)	.0	(1,754)	.0	1,041,367	.0	24,483	24,483	35,642	09/15/2023	2FE
760759-AN-0	REPUBLIC SVCS INC		04/14/2014	DEUTSCHE BANK SECURITIES		127,458	110,000	129,735	129,135	.0	(105)	.0	(105)	.0	129,030	.0	(1,571)	(1,571)	2,647	05/15/2041	2FE
814120-AC-5	SECURITY BENEFIT LIFE INS CO 144A		05/06/2014	VARIOUS		1,266,308	1,090,000	1,139,050	1,138,724	.0	(407)	.0	(407)	.0	1,138,318	.0	127,990	127,990	49,174	10/01/2033	2FE
81745B-AA-3	SEQUOIA MTG TR 2013-6		06/25/2014	PRINCIPAL RECEIPT		1,653	1,644	1,644	1,644	.0	.8	.0	.8	.0	1,653	.0	.0	.0	17	05/25/2043	1FM
81745C-AB-9	SEQUOIA MTG TR 2013-7		06/25/2014	PRINCIPAL RECEIPT		924	924	930	930	.0	(6)	.0	(6)	.0	924	.0	.0	.0	11	06/25/2043	1FM
82651Y-AA-3	SIERRA RECEIVABLES FDG 144A		06/20/2014	PRINCIPAL RECEIPT		9,734	9,734	9,732	9,749	.0	(15)	.0	(15)	.0	9,734	.0	.0	.0	60	11/20/2029	1FE
82652B-AA-2	SIERRA RECEIVABLES FDG 144A		06/20/2014	PRINCIPAL RECEIPT		20,089	20,089	20,155	20,182	.0	(93)	.0	(93)	.0	20,089	.0	.0	.0	179	11/20/2025	1FE
82650H-AA-1	SIERRA RECEIVABLES FDG 2013-3 144A		06/20/2014	PRINCIPAL RECEIPT		18,438	18,438	18,433	18,468	.0	(30)	.0	(30)	.0	18,438	.0	.0	.0	158	10/20/2030	1FE
82652C-AA-0	SIERRA RECEIVABLES FDG 2014-144A		06/20/2014	PRINCIPAL RECEIPT		30,602	30,602	30,598	.0	.4	.0	.4	.0	30,602	.0	.0	.0	95	03/20/2030	1FE	
871911-AS-2	SYSTEM ENERGY RESOURCES INC		06/23/2014	VARIOUS		2,567,650	2,500,000	2,537,400	.0	.0	(1,247)	.0	(1,247)	.0	2,536,153	.0	31,497	31,497	75,451	04/01/2023	1FE
881561-XJ-8	TERWIN MTG TR 2005-14HE		06/25/2014	PRINCIPAL RECEIPT		1,807	1,807	1,785	1,792	.0	.16	.0	.16	.0	1,807	.0	.0	.0	27	08/25/2036	1FM
883556-AZ-5	THERMO FISHER SCIENTIFIC INC		06/24/2014	JAFFRA		1,033,580	1,000,000	1,055,670	1,049,826	.0	(2,940)	.0	(2,940)	.0	1,046,886	.0	(13,306)	(13,306)	31,200	08/15/2021	2FE
883556-BB-7	THERMO FISHER SCIENTIFIC INC		06/16/2014	BARCLAYS CAPITAL INC LINSOC/PRIVATE LEDGER		10,018	10,000	9,795	9,814	.0	20	.0	20	.0	9,834	.0	184	184	172	01/15/2018	2FE
911312-AQ-9	UNITED PARCEL SERVICE INC		06/19/2014	COR		962,500	1,000,000	1,007,000	1,006,563	.0	(317)	.0	(317)	.0	1,006,246	.0	(43,746)	(43,746)	17,899	10/01/2022	1FE
90345W-AD-6	US AIRWAYS PT TRUST		06/03/2014	Sink PMT @ 100.0000000		7,522	7,522	7,917	.0	.0	(395)	.0	(395)	.0	7,522	.0	.0	.0	174	12/03/2026	1FE
920253-AD-3	VALMONT INDS INC		06/11/2014	INC		130,034	110,000	128,020	124,666	.0	(913)	.0	(913)	.0	123,753	.0	6,282	6,282	4,777	04/20/2020	2FE
92343V-BT-0	VERIZON COMMUNICATIONS INC		05/19/2014	CHASE SECURITIES, INC. LINSOC/PRIVATE LEDGER		1,603,160	1,275,000	1,278,089	1,278,078	.0	(16)	.0	(16)	.0	1,278,062	.0	325,098	325,098	56,603	09/15/2043	2FE
94974B-FR-6	WELLS FARGO CO MTN BE		06/19/2014	COR		1,015,000	1,000,000	1,004,500	.0	.0	(141)	.0	(141)	.0	1,004,359	.0	10,641	10,641	12,500	01/22/2021	1FE
98158V-AC-9	WORLD OMNI AUTO LEASE 2012-A		06/15/2014	PRINCIPAL RECEIPT WACHOVIA SECURITIES		52,410	52,410	52,402	52,415	.0	(6)	.0	(6)	.0	52,410	.0	.0	.0	196	11/16/2015	1FE
984121-BW-2	XEROX CORP		04/25/2014	CAPIT		314,183	270,000	320,131	307,056	.0	(2,528)	.0	(2,528)	.0	304,528	.0	9,655	9,655	7,858	05/15/2018	2FE
984121-CA-9	XEROX CORP		06/03/2014	CANTOR FITZGERALD & CO. RBC CAPITAL MARKETS CORP		459,320	400,000	447,568	446,781	.0	(3,013)	.0	(3,013)	.0	443,768	.0	15,552	15,552	10,688	12/15/2019	2FE
06366R-HA-6	BMO BANK OF MONTREAL	I	06/18/2014	U. S. BANCORP PIPER		1,000,310	1,000,000	1,002,740	1,002,256	.0	(277)	.0	(277)	.0	1,001,979	.0	(1,669)	(1,669)	10,967	09/11/2017	1FE
008281-AG-2	AFRICAN DEV BANK	R	06/24/2014	JAFFRA		1,909,650	1,500,000	2,061,600	1,946,920	.0	(34,999)	.0	(34,999)	.0	1,911,921	.0	(2,271)	(2,271)	108,533	09/01/2019	1FE
040254-74-0	AFRICAN DEV BANK	R	06/23/2014	PERSHING LLC		1,956,000	1,500,000	1,998,885	.0	.0	(9,056)	.0	(9,056)	.0	1,989,829	.0	(33,829)	(33,829)	24,583	04/06/2023	1FE
05578B-AB-2	BPCE GBL NT 144A	R	04/08/2014	RBC CAPITAL MARKETS CORP		267,374	265,000	264,579	264,585	.0	.21	.0	.21	.0	264,606	.0	2,768	2,768	2,227	12/10/2018	1FE
05578Q-AB-9	BPCE GBL NT 144A	R	06/11/2014	J. P. MORGAN SECURITIES, EUROCLEAR BANK S. A.		210,166	200,000	199,746	.0	.0	.4	.0	.4	.0	199,750	.0	10,416	10,416	4,149	07/21/2024	1FE
21987B-AM-0	CORPORACION NACIONAL DEL CO 144A	R	06/16/2014	BRUSS		121,450	100,000	119,239	118,240	.0	(1,529)	.0	(1,529)	.0	116,711	.0	4,739	4,739	6,958	01/15/2019	1FE
404280-AQ-2	HSBC HLDGS PLC	R	05/06/2014	INC/		208,108	200,000	197,824	.0	.0	.5	.0	.5	.0	197,829	.0	10,279	10,279	1,663	03/14/2044	1FE
06711K-AA-3	ODEBRECHT OFFSHORE DRILLING	R	06/02/2014	NOMURA SECURITIES INTL		1,740	1,740	1,775	.0	.0	(1)	.0	(1)	.0	1,773	.0	(33)	(33)	31	10/01/2022	2FE
71645W-AR-2	PETROBRAS INTL FIN CO	R	06/19/2014	BARCLAYS CAPITAL		568,354	550,000	593,223	585,818	.0	(2,045)	.0	(2,045)	.0	583,773	.0	(15,420)	(15,420)	26,853	01/27/2021	2FE

E05.6

STATEMENT AS OF JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
76720A-AC-0	RIO TINTO FIN USA PLC	R	06/09/2014	WELLS FARGO SECURITIES,LL	20,369	20,000	20,000	19,901	0	0	2	0	2	0	19,903	0	466	466	506	03/22/2022	1FE	
76720A-AF-3	RIO TINTO FIN USA PLC	R	06/16/2014	SG COHEN SECURITIES CORP	19,368	20,000	20,000	18,806	0	0	29	0	29	0	18,835	0	534	534	188	08/21/2022	1FE	
80685P-AC-2	SCHLUMBERGER NORGE A S 144A	R	06/19/2014	MERRILL LYNCH PROFESSNL	2,046,360	2,000,000	2,000,000	2,065,840	2,044,569	0	(7,599)	0	(7,599)	0	2,036,970	0	9,390	9,390	30,333	09/14/2016	1FE	
89152U-AG-7	TOTAL CAPITAL GLBL NT	R	06/24/2014	CFG CAPITAL MARKETS LLC	1,013,000	1,000,000	1,000,000	991,710	992,281	0	767	0	767	0	993,048	0	19,952	19,952	18,594	08/10/2018	1FE	
893830-BA-6	TRANSOCEAN INC	R	05/19/2014	NOMURA SECURITIES INTL	130,950	120,000	120,000	129,533	126,231	0	(775)	0	(775)	0	125,456	0	5,494	5,494	2,643	12/15/2016	2FE	
0B7F1C-Y4-4	VTB BANK	R	04/16/2014	EUROCLEAR BANK S.A.	202,750	200,000	200,000	214,000	213,835	0	(1,167)	0	(1,167)	0	212,668	0	(9,918)	(9,918)	6,333	04/12/2017	2FE	
0B84TD-43-1	VW CREDIT INC	R	06/23/2014	BRUSS	1,547,786	1,500,000	1,500,000	1,518,015	1,512,557	0	(2,115)	0	(2,115)	0	1,510,443	0	37,343	37,343	0	10/13/2016	1FE	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				53,217,922	50,129,051	50,129,051	52,892,125	39,776,898	9	(144,801)	0	(144,792)	0	52,479,146	0	738,778	738,778	1,151,946	XXX	XXX	
064058-AB-6	BANK NEW YORK MELLON CORP		05/01/2014	STIFEL, NICOLAUS & CO., IN	192,780	210,000	210,000	197,883	197,948	0	42	0	42	0	197,990	0	(5,210)	(5,210)	3,570	12/29/2049	1AM	
4899999	Subtotal - Bonds - Hybrid Securities				192,780	210,000	210,000	197,883	197,948	0	42	0	42	0	197,990	0	(5,210)	(5,210)	3,570	XXX	XXX	
8399997	Total - Bonds - Part 4				267,273,420	262,722,183	262,722,183	266,041,920	113,645,283	9	(609,721)	0	(609,712)	0	265,069,663	0	2,203,758	2,203,758	2,766,206	XXX	XXX	
8399998	Total - Bonds - Part 5				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total - Bonds				267,273,420	262,722,183	262,722,183	266,041,920	113,645,283	9	(609,721)	0	(609,712)	0	265,069,663	0	2,203,758	2,203,758	2,766,206	XXX	XXX	
8999997	Total - Preferred Stocks - Part 4				0	XXX	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999998	Total - Preferred Stocks - Part 5				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999	Total - Preferred Stocks				0	XXX	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
921909-82-6	VANGUARD DEVELOPED MKTS INDEX INST		04/07/2014	MERGER	1,272,239,971	10,831,293	10,831,293	10,831,293	14,592,592	(3,761,299)	0	0	(3,761,299)	0	10,831,293	0	0	0	192,363	XXX	XXX	
9299999	Subtotal - Common Stocks - Mutual Funds				10,831,293	XXX	XXX	10,831,293	14,592,592	(3,761,299)	0	0	(3,761,299)	0	10,831,293	0	0	0	0	192,363	XXX	XXX
9799997	Total - Common Stocks - Part 4				10,831,293	XXX	XXX	10,831,293	14,592,592	(3,761,299)	0	0	(3,761,299)	0	10,831,293	0	0	0	0	192,363	XXX	XXX
9799998	Total - Common Stocks - Part 5				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999	Total - Common Stocks				10,831,293	XXX	XXX	10,831,293	14,592,592	(3,761,299)	0	0	(3,761,299)	0	10,831,293	0	0	0	0	192,363	XXX	XXX
9899999	Total - Preferred and Common Stocks				10,831,293	XXX	XXX	10,831,293	14,592,592	(3,761,299)	0	0	(3,761,299)	0	10,831,293	0	0	0	0	192,363	XXX	XXX
9999999	- Totals				278,104,713	XXX	XXX	276,873,213	128,237,875	(3,761,290)	(609,721)	0	(4,371,011)	0	275,900,956	0	2,203,758	2,203,758	2,958,569	XXX	XXX	

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

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

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

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

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

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

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

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

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

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
NONE							
8699999 - Total Cash Equivalents							



SUPPLEMENT FOR THE QUARTER ENDING JUNE 30, 2014 OF THE Group Hospitalization & Medical Services, Inc.

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0380

NAIC Company Code 53007

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected	4,033,554	XXX	0	XXX	4,033,554
2. Earned Premiums	4,033,554	XXX	0	XXX	XXX
3. Claims Paid	3,823,847	XXX	0	XXX	3,823,847
4. Claims Incurred	3,729,619	XXX	0	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX	0	XXX	0	0
6. Aggregate Policy Reserves - Change	0	XXX	0	XXX	XXX
7. Expenses Paid	705,615	XXX	0	XXX	705,615
8. Expenses Incurred	705,615	XXX	0	XXX	XXX
9. Underwriting Gain or Loss	(401,680)	XXX	0	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	(495,908)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$0 due from CMS or \$0 due to CMS