



**HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2008  
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 Period) (Prior Period)

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

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Dental Service Corporation [ ]  
 Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [ ]  
 Hospital, Medical & Dental Service or Indemnity [ X ] 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 20065  
(Street and Number) (City or Town, State and Zip Code)

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

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

Primary Location of Books and Records 10455 Mill Run Circle  
(Street and Number)  
Owings Mills, MD 21117 410-998-7011  
(City or Town, State 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) (Extension)  
(E-mail Address) (FAX Number)

**OFFICERS**

| Name                           | Title  | Name                          | Title   |
|--------------------------------|--|-------------------------------|---|
| <u>Chester Emerson Burrell</u> | <u>President and Chief Executive Officer</u> | <u>John Anthony Picciotto</u> | <u>Corp. Secretary, Exec. VP &amp; Gen. Counsel</u> |
| <u>Jeanne Ann Kennedy</u>      | <u>Corp. Treasurer &amp; VP</u>              |                               |   |

**OTHER OFFICERS**

|                                |                                   |                                  |                                 |
|--------------------------------|-----------------------------------|----------------------------------|---------------------------------|
| <u>David Donald Wolf</u>       | <u>EVP, Medical Systems</u>       | <u>Gregory Mark Chaney</u>       | <u>EVP &amp; CFO</u>            |
| <u>Gregory Allen Devou</u>     | <u>EVP, Chief Mktg Officer</u>    | <u>Gwendolyn Denise Skillern</u> | <u>SVP, General Auditor</u>     |
| <u>Michael John Felber</u>     | <u>SVP, Sales</u>                 | <u>Maria Harris Tildon #</u>     | <u>SVP, Public Policy</u>       |
| <u>Sharon Jean Vecchioni</u>   | <u>EVP, Chief of Staff</u>        | <u>Rita Ann Costello</u>         | <u>SVP, Strategic Marketing</u> |
| <u>Jon Paul Shematek, M.D.</u> | <u>SVP, Chief Medical Officer</u> | <u>Kenny Waitem Kan #</u>        | <u>SVP, Chief Actuary</u>       |
| <u>Alok Gupta #</u>            | <u>SVP, CIO</u>                   | <u>Pamela Susan Deuterma #</u>   | <u>SVP, ASU-FEP</u>             |
| <u>Michael Bruce Edwards</u>   | <u>SVP, Networks Mgmt</u>         | <u>Dennis Allen Cupido #</u>     | <u>SVP, ASU-Large Groups</u>    |
| <u>Glenn Rothman #</u>         | <u>SVP, Shared Services</u>       |                                  |                                 |

**DIRECTORS OR TRUSTEES**

|                               |                                |                                  |                               |
|-------------------------------|--------------------------------|----------------------------------|-------------------------------|
| <u>Michel Llewellyn Daley</u> | <u>Elizabeth Oliver-Farrow</u> | <u>Robert Marcellus Willis</u>   | <u>Natalie Olivia Ludaway</u> |
| <u>James Wallace</u>          | <u>Larry Donovan Bailey</u>    | <u>Nathaniel Thomas Connally</u> | <u>Robert Lee Sloan</u>       |
| <u>Linda Washington Cropp</u> | <u>Carlos Mario Rodriguez</u>  | <u>Faye Ford Fields</u>          | <u>Ralph John Rohner</u>      |

State of .....

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County of .....

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

John Anthony Picciotto  
Corp. Secretary, Exec. VP & Gen. Counsel

Jeanne Ann Kennedy  
Corp. Treasurer & VP

Subscribed and sworn to before me this  
day of \_\_\_\_\_,

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 \_\_\_\_\_



EXHIBIT 3 - HEALTH CARE RECEIVABLES

| 1<br>Name of Debtor   | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>Over 90 Days | 6<br>Nonadmitted | 7<br>Admitted |
|---|------------------|-------------------|-------------------|-------------------|------------------|---------------|
| <b>Individually Listed Receivables:</b>                       |                  |                   |                   |                   |                  |               |
| 0199998 - Aggregate of amounts not individually listed above. | 5,659,431        | 2,791,500         |                   | 213,279           | 213,279          | 8,450,931     |
| 0199999 - Totals - Pharmaceutical rebate receivables          | 5,659,431        | 2,791,500         |                   | 213,279           | 213,279          | 8,450,931     |
| 0299998 - Aggregate of amounts not individually listed above. | 6,272,897        | 97,224            | 160,735           | 451,962           | 451,962          | 6,530,857     |
| 0299999 - Totals - Claim Overpayment Receivables              | 6,272,897        | 97,224            | 160,735           | 451,962           | 451,962          | 6,530,857     |
| 0399998 - Aggregate of amounts not individually listed above. | 33,373,586       |                   |                   |                   |                  | 33,373,586    |
| 0399999 - Totals - Loans and Advances to Providers            | 33,373,586       |                   |                   |                   |                  | 33,373,586    |
|   |                  |                   |                   |                   |                  |               |
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| 0799999 Gross health care receivables                         | 45,305,914       | 2,888,724         | 160,735           | 665,241           | 665,241          | 48,355,374    |

**EXHIBIT 4 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

**Aging Analysis of Unpaid Claims**

| 1<br>Account  | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>91 - 120 Days | 6<br>Over 120 Days | 7<br>Total  |
|---|------------------|-------------------|-------------------|--------------------|--------------------|-------------|
| Claims Unpaid (Reported)  |                  |                   |                   |                    |                    |             |
|   |                  |                   |                   |                    |                    |             |
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|   |                  |                   |                   |                    |                    |             |
| 0199999 Individually listed claims unpaid.....                    | 0                | 0                 | 0                 | 0                  | 0                  | 0           |
| 0299999 Aggregate accounts not individually listed-uncovered..... |                  |                   |                   |                    |                    | 0           |
| 0399999 Aggregate accounts not individually listed-covered.....   | 13,012,266       | 656,319           |                   |                    |                    | 13,668,585  |
| 0499999 Subtotals   | 13,012,266       | 656,319           | 0                 | 0                  | 0                  | 13,668,585  |
| 0599999 Unreported claims and other claim reserves                |                  |                   |                   |                    |                    | 290,186,559 |
| 0699999 Total amounts withheld                                    |                  |                   |                   |                    |                    |             |
| 0799999 Total claims unpaid                                       |                  |                   |                   |                    |                    | 303,855,144 |
| 0899999 Accrued medical incentive pool and bonus amounts          |                  |                   |                   |                    |                    | 0           |

ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.

**EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES**

| 1<br>Name of Affiliate                        | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>Over 90 Days | 6<br>Nonadmitted | Admitted     |                  |
|---|------------------|-------------------|-------------------|-------------------|------------------|--------------|------------------|
|   |                  |                   |                   |                   |                  | 7<br>Current | 8<br>Non-Current |
| <b>Individually Listed Receivables:</b>       |                  |                   |                   |                   |                  |              |                  |
| CareFirst Of Maryland, Inc.....               | 1,073,328        |                   |                   |                   |                  | 1,073,328    |                  |
| CASCI.....                                    | 3,486,689        |                   | 0                 |                   |                  | 3,486,689    |                  |
| Service Benefit Plan Admin (SBP).....         | 3,777,052        |                   |                   | 0                 | 0                | 3,777,052    |                  |
|   |                  |                   |                   |                   |                  |              |                  |
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| 0199999 Individually listed receivables ..... | 8,337,069        | 0                 | 0                 | 0                 | 0                | 8,337,069    | 0                |
| 0299999 Receivables not individually listed   | 558,931          |                   |                   | 15,990            | 15,990           | 558,931      |                  |
| 0399999 Total gross amounts receivable        | 8,896,000        | 0                 | 0                 | 15,990            | 15,990           | 8,896,000    | 0                |

**EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES**

| 1<br>Affiliate                            | 2<br>Description                           | 3<br>Amount | 4<br>Current | 5<br>Non-Current |
|---|--|-------------|--------------|------------------|
| CareFirst BlueChoice.....                 | Revenue/Claim collection intermediary..... | 12,037,937  | 12,037,937   |                  |
|   |  | 0           |              |                  |
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| 0199999 Individually listed payables..... |  | 12,037,937  | 12,037,937   | 0                |
| 0299999 Payables not individually listed  |  | 65,413      | 65,413       |                  |
| 0399999 Total gross payables              |  | 12,103,350  | 12,103,350   | 0                |

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.**

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

| Payment Method  | 1<br>Direct Medical<br>Expense<br>Payment | 2<br>Column 1<br>as a % of<br>Total Payments | 3<br>Total<br>Members<br>Covered | 4<br>Column 3<br>as a % of<br>Total Members | 5<br>Column 1<br>Expenses Paid to<br>Affiliated Providers | 6<br>Column 1<br>Expenses Paid to<br>Non-Affiliated Providers |
|---|---|--|----------------------------------|---|---|---|
| <b>Capitation Payments:</b>                                     |   |  |                                  |   |   |   |
| 1. Medical groups .....   | 0   | .0 0   |                                  | 0.0   |   |   |
| 2. Intermediaries .....   | 8,950,300                                 | .0 3   | 1,212,370                        | 130.5                                       |   | 8,950,300   |
| 3. All other providers .....                                    | 1,908,642                                 | .0 1   | 533,002                          | 57.4  |   | 1,908,642   |
| 4. Total capitation payments .....                              | 10,858,942                                | .0 4   | 1,745,372                        | 187.9                                       | 0   | 10,858,942  |
| <b>Other Payments:</b>  |   |  |                                  |   |   |   |
| 5. Fee-for-service .....  | 345,836                                   | .0 0   | XXX                              | XXX   |   | 345,836   |
| 6. Contractual fee payments .....                               | 2,727,976,137                             | 99.6   | XXX                              | XXX   |   | 2,727,976,137   |
| 7. Bonus/withhold arrangements - fee-for-service .....          | 0   | .0 0   | XXX                              | XXX   |   |   |
| 8. Bonus/withhold arrangements - contractual fee payments ..... | 0   | .0 0   | XXX                              | XXX   |   |   |
| 9. Non-contingent salaries .....                                | 0   | .0 0   | XXX                              | XXX   |   |   |
| 10. Aggregate cost arrangements .....                           | 0   | .0 0   | XXX                              | XXX   |   |   |
| 11. All other payments .....                                    | 0   | .0 0   | XXX                              | XXX   |   |   |
| 12. Total other payments .....                                  | 2,728,321,973                             | 99.6   | XXX                              | XXX   | 0   | 2,728,321,973   |
| 13. Total (Line 4 plus Line 12) .....                           | 2,739,180,915                             | 100 %  | XXX                              | XXX   | 0   | 2,739,180,915   |

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

| 1<br>NAIC Code | 2<br>Name of Intermediary             | 3<br>Capitation Paid | 4<br>Average<br>Monthly<br>Capitation | 5<br>Intermediary's<br>Total Adjusted Capital | 6<br>Intermediary's<br>Authorized<br>Control Level RBC |
|----------------|---------------------------------------|----------------------|---------------------------------------|---|--|
|                | BlueChoice (The Dental Network) ..... | 137,041              | 34,260                                |   |  |
|                | Magellan Health Services.....         | 4,278,108            | 356,509                               |   |  |
|                | Davis Vision.....                     | 4,535,151            | 377,929                               |   |  |
|                | .....                                 |                      |                                       |   |  |
|                | .....                                 |                      |                                       |   |  |
|                | .....                                 |                      |                                       |   |  |
|                | .....                                 |                      |                                       |   |  |
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|                | .....                                 |                      |                                       |   |  |
|                | .....                                 |                      |                                       |   |  |
|                | .....                                 |                      |                                       |   |  |
|                | .....                                 |                      |                                       |   |  |
| 9999999 Totals |                                       | 8,950,300            | XXX                                   | XXX   | XXX  |

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

| Description  | 1<br>Cost  | 2<br>Improvements | 3<br>Accumulated<br>Depreciation | 4<br>Book Value Less<br>Encumbrances | 5<br>Assets Not<br>Admitted | 6<br>Net Admitted Assets |
|--|------------|-------------------|----------------------------------|--------------------------------------|-----------------------------|--------------------------|
| 1. Administrative furniture and equipment .....    | 14,147,859 |                   | 9,521,964                        |                                      | 4,625,895                   |                          |
| 2. Medical furniture, equipment and fixtures ..... |            |                   |                                  |                                      |                             |                          |
| 3. Pharmaceuticals and surgical supplies .....     |            |                   |                                  |                                      |                             |                          |
| 4. Durable medical equipment .....                 |            |                   |                                  |                                      |                             |                          |
| 5. Other property and equipment                    |            |                   |                                  |                                      |                             |                          |
| 6. Total   | 14,147,859 | 0                 | 9,521,964                        | 0                                    | 4,625,895                   | 0                        |





**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.**

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

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2.

(LOCATION)

| NAIC Group Code   | 0380          | BUSINESS IN THE STATE OF District of Columbia |             | DURING THE YEAR 2008        |                     |                     |   | NAIC Company Code            |                            | 53007       |
|---|---------------|---|-------------|-----------------------------|---------------------|---------------------|---|------------------------------|----------------------------|-------------|
|   | 1<br>Total    | Comprehensive<br>(Hospital & Medical)         |             | 4<br>Medicare<br>Supplement | 5<br>Vision<br>Only | 6<br>Dental<br>Only | 7<br>Federal<br>Employees<br>Health Benefit<br>Plan | 8<br>Title XVIII<br>Medicare | 9<br>Title XIX<br>Medicaid | 10<br>Other |
|   |               | 2<br>Individual                               | 3<br>Group  |                             |                     |                     |   |                              |                            |             |
| <b>Total Members at end of:</b>                             |               |   |             |                             |                     |                     |   |                              |                            |             |
| 1. Prior Year .....   | 496,018       | 10,394  | 98,393      | 1,603                       |                     | 7,649               | 338,441   |                              |                            | 39,538      |
| 2. First Quarter .....                                      | 505,152       | 11,398  | 101,369     | 1,644                       |                     | 7,748               | 345,784   |                              |                            | 37,209      |
| 3. Second Quarter .....                                     | 508,073       | 12,987  | 103,530     | 1,687                       |                     | 7,663               | 345,083   |                              |                            | 37,123      |
| 4. Third Quarter .....                                      | 508,023       | 13,646  | 104,944     | 1,738                       |                     | 3,413               | 346,424   |                              |                            | 37,858      |
| 5. Current Year   | 511,112       | 14,488  | 106,049     | 1,760                       |                     | 3,382               | 347,426   |                              |                            | 38,007      |
| 6. Current Year Member Months                               | 6,083,744     | 153,461                                       | 1,241,420   | 20,362                      |                     | 66,913              | 4,151,488   |                              |                            | 450,100     |
| <b>Total Member Ambulatory Encounters for Year:</b>         |               |   |             |                             |                     |                     |   |                              |                            |             |
| 7. Physician .....  | 4,461,546     | 104,439                                       | 1,109,592   | 45,705                      |                     |                     | 3,201,648   |                              |                            | 162         |
| 8. Non-Physician .....                                      | 764,768       | 16,209  | 157,024     | 7,299                       |                     |                     | 584,204   |                              |                            | 32          |
| 9. Total  | 5,226,314     | 120,648                                       | 1,266,616   | 53,004                      | 0                   | 0                   | 3,785,852   | 0                            | 0                          | 194         |
| 10. Hospital Patient Days Incurred                          | 245,228       | 3,711   | 36,325      | 6,253                       |                     |                     | 198,724   |                              |                            | 215         |
| 11. Number of Inpatient Admissions                          | 47,012        | 760   | 8,889       | 953                         |                     |                     | 36,399  |                              |                            | 11          |
| 12. Health Premiums Written (b).....                        | 1,966,714,108 | 33,183,086                                    | 358,524,417 | 3,828,314                   |                     | 13,458,766          | 1,551,610,700                                       |                              |                            | 6,108,825   |
| 13. Life Premiums Direct .....                              | 0             |   |             |                             |                     |                     |   |                              |                            |             |
| 14. Property/Casualty Premiums Written .....                | 0             |   |             |                             |                     |                     |   |                              |                            |             |
| 15. Health Premiums Earned .....                            | 1,895,495,430 | 33,183,086                                    | 358,524,417 | 3,828,314                   |                     | 13,458,766          | 1,480,392,022                                       |                              |                            | 6,108,825   |
| 16. Property/Casualty Premiums Earned .....                 | 0             |   |             |                             |                     |                     |   |                              |                            |             |
| 17. Amount Paid for Provision of Health Care Services ..... | 1,773,011,250 | 30,947,272                                    | 292,125,647 | 2,934,633                   |                     | 9,448,536           | 1,433,369,924                                       |                              |                            | 4,185,238   |
| 18. Amount Incurred for Provision of Health Care Services   | 1,762,885,669 | 31,390,968                                    | 295,874,721 | 2,994,771                   |                     | 9,370,781           | 1,418,987,790                                       |                              |                            | 4,266,638   |

(a) For health business: number of persons insured under PPO managed care products 416,872 and number of persons under indemnity only products 9,020

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

29.DC



ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2.

(LOCATION)

NAIC Group Code 0380

BUSINESS IN THE STATE OF Maryland

DURING THE YEAR 2008

NAIC Company Code 53007

|   | 1<br>Total  | Comprehensive<br>(Hospital & Medical) |             | 4<br>Medicare<br>Supplement | 5<br>Vision<br>Only | 6<br>Dental<br>Only | 7<br>Federal<br>Employees<br>Health Benefit<br>Plan | 8<br>Title XVIII<br>Medicare | 9<br>Title XIX<br>Medicaid | 10<br>Other |
|---|-------------|---------------------------------------|-------------|-----------------------------|---------------------|---------------------|---|------------------------------|----------------------------|-------------|
|   |             | 2<br>Individual                       | 3<br>Group  |                             |                     |                     |   |                              |                            |             |
| <b>Total Members at end of:</b>                             |             |                                       |             |                             |                     |                     |   |                              |                            |             |
| 1. Prior Year .....   | 264,682     | 12,178                                | 178,569     | 1,985                       |                     | 4,930               |   |                              |                            | 67,020      |
| 2. First Quarter .....                                      | 275,389     | 12,301                                | 182,139     | 1,932                       |                     | 4,951               |   |                              |                            | 74,066      |
| 3. Second Quarter .....                                     | 276,005     | 12,436                                | 182,387     | 1,852                       |                     | 4,838               |   |                              |                            | 74,492      |
| 4. Third Quarter .....                                      | 279,151     | 12,819                                | 184,753     | 1,801                       |                     | 4,663               |   | 5                            |                            | 75,110      |
| 5. Current Year   | 285,232     | 12,906                                | 184,208     | 1,750                       |                     | 9,434               |   | 5                            |                            | 76,929      |
| 6. Current Year Member Months                               | 3,335,381   | 151,117                               | 2,197,313   | 22,253                      |                     | 65,758              |   | 28                           |                            | 898,912     |
| <b>Total Member Ambulatory Encounters for Year:</b>         |             |                                       |             |                             |                     |                     |   |                              |                            |             |
| 7. Physician .....  | 630,994     | 30,092                                | 594,218     | 6,684                       |                     |                     |   |                              |                            |             |
| 8. Non-Physician .....                                      | 104,679     | 4,098                                 | 99,723      | 858                         |                     |                     |   |                              |                            |             |
| 9. Total  | 735,673     | 34,190                                | 693,941     | 7,542                       | 0                   | 0                   | 0   | 0                            | 0                          | 0           |
| 10. Hospital Patient Days Incurred                          | 21,791      | 773                                   | 20,202      | 816                         |                     |                     |   |                              |                            |             |
| 11. Number of Inpatient Admissions                          | 5,801       | 210                                   | 5,450       | 141                         |                     |                     |   |                              |                            |             |
| 12. Health Premiums Written (b).....                        | 721,455,267 | 36,445,315                            | 623,320,121 | 5,115,247                   |                     | 45,134,633          |   | 38,704                       |                            | 11,401,247  |
| 13. Life Premiums Direct .....                              | 0           |                                       |             |                             |                     |                     |   |                              |                            | 0           |
| 14. Property/Casualty Premiums Written.....                 | 0           |                                       |             |                             |                     |                     |   |                              |                            | 0           |
| 15. Health Premiums Earned.....                             | 721,455,267 | 36,445,315                            | 623,320,121 | 5,115,247                   |                     | 45,134,633          |   | 38,704                       |                            | 11,401,247  |
| 16. Property/Casualty Premiums Earned.....                  | 0           |                                       |             |                             |                     |                     |   |                              |                            | 0           |
| 17. Amount Paid for Provision of Health Care Services ..... | 596,027,882 | 27,670,868                            | 528,295,964 | 3,331,477                   |                     | 31,854,722          |   | 4,410                        |                            | 4,870,441   |
| 18. Amount Incurred for Provision of Health Care Services   | 598,101,589 | 28,135,767                            | 530,240,538 | 3,240,349                   |                     | 31,610,065          |   | 4,429                        |                            | 4,870,441   |

(a) For health business: number of persons insured under PPO managed care products 232,640 and number of persons under indemnity only products 5,034

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

29.MD



ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.

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

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2.

(LOCATION)

NAIC Group Code 0380

BUSINESS IN THE STATE OF Virginia

DURING THE YEAR 2008

NAIC Company Code 53007

|   | 1<br>Total  | Comprehensive<br>(Hospital & Medical) |             | 4<br>Medicare<br>Supplement | 5<br>Vision<br>Only | 6<br>Dental<br>Only | 7<br>Federal<br>Employees<br>Health Benefit<br>Plan | 8<br>Title XVIII<br>Medicare | 9<br>Title XIX<br>Medicaid | 10<br>Other |
|---|-------------|---------------------------------------|-------------|-----------------------------|---------------------|---------------------|---|------------------------------|----------------------------|-------------|
|   |             | 2<br>Individual                       | 3<br>Group  |                             |                     |                     |   |                              |                            |             |
| <b>Total Members at end of:</b>                             |             |                                       |             |                             |                     |                     |   |                              |                            |             |
| 1. Prior Year .....   | 130,918     | 19,370                                | 100,185     | 2,433                       |                     | 4,122               |   |                              |                            | 4,808       |
| 2. First Quarter .....                                      | 127,627     | 19,161                                | 101,682     | 2,403                       |                     | 3,833               |   |                              |                            | 548         |
| 3. Second Quarter .....                                     | 129,279     | 18,602                                | 103,915     | 2,379                       |                     | 3,838               |   |                              |                            | 545         |
| 4. Third Quarter .....                                      | 131,537     | 18,425                                | 106,252     | 2,366                       |                     | 3,940               |   |                              |                            | 554         |
| 5. Current Year   | 132,531     | 18,027                                | 107,635     | 2,323                       |                     | 4,009               |   |                              |                            | 537         |
| 6. Current Year Member Months                               | 1,556,732   | 224,135                               | 1,251,373   | 28,562                      |                     | 46,602              |   |                              |                            | 6,060       |
| <b>Total Member Ambulatory Encounters for Year:</b>         |             |                                       |             |                             |                     |                     |   |                              |                            |             |
| 7. Physician .....  | 783,007     | 126,798                               | 618,703     | 37,506                      |                     |                     |   |                              |                            |             |
| 8. Non-Physician .....                                      | 121,553     | 19,560                                | 94,756      | 7,237                       |                     |                     |   |                              |                            |             |
| 9. Total  | 904,560     | 146,358                               | 713,459     | 44,743                      | 0                   | 0                   | 0   | 0                            | 0                          | 0           |
| 10. Hospital Patient Days Incurred                          | 29,215      | 4,146                                 | 19,836      | 5,233                       |                     |                     |   |                              |                            |             |
| 11. Number of Inpatient Admissions                          | 6,555       | 904                                   | 4,933       | 718                         |                     |                     |   |                              |                            |             |
| 12. Health Premiums Written (b).....                        | 438,659,662 | 62,486,783                            | 359,200,612 | 6,293,781                   |                     | 9,545,495           |   |                              |                            | 1,132,991   |
| 13. Life Premiums Direct .....                              | 0           |                                       |             |                             |                     |                     |   |                              |                            |             |
| 14. Property/Casualty Premiums Written.....                 | 0           |                                       |             |                             |                     |                     |   |                              |                            |             |
| 15. Health Premiums Earned.....                             | 438,659,662 | 62,486,783                            | 359,200,612 | 6,293,781                   |                     | 9,545,495           |   |                              |                            | 1,132,991   |
| 16. Property/Casualty Premiums Earned.....                  | 0           |                                       |             |                             |                     |                     |   |                              |                            |             |
| 17. Amount Paid for Provision of Health Care Services ..... | 370,141,783 | 52,471,952                            | 304,773,432 | 4,964,452                   |                     | 7,314,275           |   |                              |                            | 617,672     |
| 18. Amount Incurred for Provision of Health Care Services   | 375,175,422 | 51,960,797                            | 310,468,583 | 4,874,283                   |                     | 7,254,087           |   |                              |                            | 617,672     |

(a) For health business: number of persons insured under PPO managed care products 108,095 and number of persons under indemnity only products 2,339

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

29.VA



ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.

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

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2.

(LOCATION)

| NAIC Group Code   | 0380          | BUSINESS IN THE STATE OF Consolidated |               | DURING THE YEAR 2008        |                     |                     |   |                              |                            | NAIC Company Code | 53007 |
|---|---------------|---------------------------------------|---------------|-----------------------------|---------------------|---------------------|---|------------------------------|----------------------------|-------------------|-------|
|   | 1<br>Total    | Comprehensive<br>(Hospital & Medical) |               | 4<br>Medicare<br>Supplement | 5<br>Vision<br>Only | 6<br>Dental<br>Only | 7<br>Federal<br>Employees<br>Health Benefit<br>Plan | 8<br>Title XVIII<br>Medicare | 9<br>Title XIX<br>Medicaid | 10<br>Other       |       |
|   |               | 2<br>Individual                       | 3<br>Group    |                             |                     |                     |   |                              |                            |                   |       |
| <b>Total Members at end of:</b>                             |               |                                       |               |                             |                     |                     |   |                              |                            |                   |       |
| 1. Prior Year .....   | 891,618       | 41,942                                | 377,147       | 6,021                       | 0                   | 16,701              | 338,441   | 0                            | 0                          | 111,366           |       |
| 2. First Quarter .....                                      | 908,168       | 42,860                                | 385,190       | 5,979                       | 0                   | 16,532              | 345,784   | 0                            | 0                          | 111,823           |       |
| 3. Second Quarter .....                                     | 913,357       | 44,025                                | 389,832       | 5,918                       | 0                   | 16,339              | 345,083   | 0                            | 0                          | 112,160           |       |
| 4. Third Quarter .....                                      | 918,711       | 44,890                                | 395,949       | 5,905                       | 0                   | 12,016              | 346,424   | 5                            | 0                          | 113,522           |       |
| 5. Current Year   | 928,875       | 45,421                                | 397,892       | 5,833                       | 0                   | 16,825              | 347,426   | 5                            | 0                          | 115,473           |       |
| 6. Current Year Member Months                               | 10,975,857    | 528,713                               | 4,690,106     | 71,177                      | 0                   | 179,273             | 4,151,488   | 28                           | 0                          | 1,355,072         |       |
| <b>Total Member Ambulatory Encounters for Year:</b>         |               |                                       |               |                             |                     |                     |   |                              |                            |                   |       |
| 7. Physician .....  | 5,875,547     | 261,329                               | 2,322,513     | 89,895                      | 0                   | 0                   | 3,201,648   | 0                            | 0                          | 162               |       |
| 8. Non-Physician .....                                      | 991,000       | 39,867                                | 351,503       | 15,394                      | 0                   | 0                   | 584,204   | 0                            | 0                          | 32                |       |
| 9. Total  | 6,866,547     | 301,196                               | 2,674,016     | 105,289                     | 0                   | 0                   | 3,785,852   | 0                            | 0                          | 194               |       |
| 10. Hospital Patient Days Incurred                          | 296,234       | 8,630                                 | 76,363        | 12,302                      | 0                   | 0                   | 198,724   | 0                            | 0                          | 215               |       |
| 11. Number of Inpatient Admissions                          | 59,368        | 1,874                                 | 19,272        | 1,812                       | 0                   | 0                   | 36,399  | 0                            | 0                          | 11                |       |
| 12. Health Premiums Written (b).....                        | 3,126,829,037 | 132,115,184                           | 1,341,045,150 | 15,237,342                  | 0                   | 68,138,894          | 1,551,610,700                                       | 38,704                       | 0                          | 18,643,063        |       |
| 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.....                             | 3,055,610,359 | 132,115,184                           | 1,341,045,150 | 15,237,342                  | 0                   | 68,138,894          | 1,480,392,022                                       | 38,704                       | 0                          | 18,643,063        |       |
| 16. Property/Casualty Premiums Earned.....                  | 0             | 0                                     | 0             | 0                           | 0                   | 0                   | 0   | 0                            | 0                          | 0                 |       |
| 17. Amount Paid for Provision of Health Care Services ..... | 2,739,180,915 | 111,090,092                           | 1,125,195,043 | 11,230,562                  | 0                   | 48,617,533          | 1,433,369,924                                       | 4,410                        | 0                          | 9,673,351         |       |
| 18. Amount Incurred for Provision of Health Care Services   | 2,736,162,680 | 111,487,532                           | 1,136,583,842 | 11,109,403                  | 0                   | 48,234,933          | 1,418,987,790                                       | 4,429                        | 0                          | 9,754,751         |       |

(a) For health business: number of persons insured under PPO managed care products 757,607 and number of persons under indemnity only products 16,393

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

29.GT

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE S - PART 1 - SECTION 2**

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

| 1                            | 2                 | 3              | 4                     | 5  | 6                           | 7          | 8                 | 9  | 10  | 11                           | 12                               |
|------------------------------|-------------------|----------------|-----------------------|--|-----------------------------|------------|-------------------|--|---|------------------------------|----------------------------------|
| NAIC Company Code            | Federal ID Number | Effective Date | Name of Reinsured     | Location                                 | Type of Reinsurance Assumed | Premiums   | Unearned Premiums | Reserve Liability Other Than for Unearned Premiums | Reinsurance Payable on Paid and Unpaid Losses | Modified Coinsurance Reserve | Funds Withheld Under Coinsurance |
| 11227                        | 52-2362725        | 01/01/2007     | CapitalCare, Inc.     | 3928 Pender Drive Suite 100, Fairfax, VA | LRSL/G/A                    | 25,076     |                   |  |   |                              |                                  |
| 60113                        | 52-1962376        | 01/01/2006     | FirstCare, Inc.       | 10455 Mill Run Circle, Owings Mills, VA  | QA/I/A                      | 6,624,086  |                   |  | 661,084                                       |                              |                                  |
| 96202                        | 52-1358219        | 01/01/2007     | BlueChoice, Inc.      | 840 First Street NE, Washington, DC      | LRSL/G/A                    | 10,000     |                   |  | 0   |                              |                                  |
| 47058                        | 52-1385894        | 01/01/2008     | CareFirst of Maryland | 10455 Mill Run Circle, Owings Mills, MD  | QA/G/A                      | 68,438,548 |                   |  |   |                              |                                  |
| 0199999 - Total - Affiliates |                   |                |                       |  |                             | 75,097,710 |                   |  | 661,084                                       |                              |                                  |
| 0399999 Totals               |                   |                |                       |  |                             | 75,097,710 |                   |  | 661,084                                       |                              |                                  |

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**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE S - PART 4**

**Reinsurance Ceded to Unauthorized Companies**

| 1                       | 2                    | 3                 | 4                 | 5                       | 6  | 7            | 8                      | 9                 | 10               | 11  | 12    | 13                                 | 14   |
|-------------------------|----------------------|-------------------|-------------------|-------------------------|--|--------------|------------------------|-------------------|------------------|---|-------|------------------------------------|--|
| NAIC<br>Company<br>Code | Federal ID<br>Number | Effective<br>Date | Name of Reinsurer | Reserve Credit<br>Taken | Paid and Unpaid<br>Losses Recoverable<br>(Debit) | Other Debits | Total<br>(Cols. 5+6+7) | Letters of Credit | Trust Agreements | Funds Deposited by<br>and Withheld from<br>Reinsurers | Other | Miscellaneous<br>Balances (Credit) | Sum of Cols<br>9+10+11+12+13<br>But Not in<br>Excess of Col. 8 |
| <b>NONE</b>             |                      |                   |                   |                         |  |              |                        |                   |                  |   |       |                                    |  |
| 1199999 Total           |                      |                   |                   |                         |  |              |                        |                   |                  |   |       |                                    |  |

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**Schedule S-Part 5**  
**Five-Year Exhibit of Reinsurance Ceded Business**  
**(000 Omitted)**

|  | 1<br>2008 | 2<br>2007 | 3<br>2006 | 4<br>2005 | 5<br>2004 |
|--|-----------|-----------|-----------|-----------|-----------|
| <b>A. OPERATIONS ITEMS</b>   |           |           |           |           |           |
| 1. Premiums.....   | 386,674   | .0        | .0        | .0        | .0        |
| 2. Title XVIII-Medicare.....   | .39       | .0        | .0        | .0        | .0        |
| 3. Title XIX-Medicaid.....   | .0        | .0        | .0        | .0        | .0        |
| 4. Commissions and reinsurance expense allowance.....                    |           | .0        | .0        | .0        | .0        |
| 5. Total hospital and medical expenses.....                              | 317,320   | .0        | .0        | .0        | .0        |
| <b>B. BALANCE SHEET ITEMS</b>  |           |           |           |           |           |
| 6. Premiums receivable.....  |           | .0        | .0        | .0        | .0        |
| 7. Claims payable.....   |           | .0        | .0        | .0        | .0        |
| 8. Reinsurance recoverable on paid losses.....                           | 26,363    | .0        | .0        | .0        | .0        |
| 9. Experience rating refunds due or unpaid.....                          |           | .0        | .0        | .0        | .0        |
| 10. Commissions and reinsurance expense allowances<br>unpaid.....        |           | .0        | .0        | .0        | .0        |
| 11. Unauthorized reinsurance offset.....                                 | .0        | .0        | .0        | .0        | .0        |
| <b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b> |           |           |           |           |           |
| 12. Funds deposited by and withheld from (F).....                        | .0        | .0        | .0        | .0        | .0        |
| 13. Letters of credit (L).....   | .0        | .0        | .0        | .0        | .0        |
| 14. Trust agreements (T).....  | .0        | .0        | .0        | .0        | .0        |
| 15. Other (O).....   | .0        | .0        | .0        | .0        | .0        |

**SCHEDULE S-PART 6**

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

|  | 1                             | 2                          | 3                            |
|--|-------------------------------|----------------------------|------------------------------|
|  | As Reported<br>(net of ceded) | Restatement<br>Adjustments | Restated<br>(gross of ceded) |
| <b>ASSETS (Page 2, Col. 3)</b>   |                               |                            |                              |
| 1. Cash and invested assets (Line 10).....   | 923,339,688                   |                            | 923,339,688                  |
| 2. Accident and health premiums due and unpaid (Line 13).....  | 230,904,426                   |                            | 230,904,426                  |
| 3. Amounts recoverable from reinsurers (Line 14.1).....  | 26,363,324                    | (26,363,324)               | 0                            |
| 4. Net credit for ceded reinsurance.....   | XXX                           | 112,247,945                | 112,247,945                  |
| 5. All other admitted assets (Balance).....  | 592,327,614                   | 636,577                    | 592,964,191                  |
| 6. Total assets (Line 26)  | 1,772,935,052                 | 86,521,198                 | 1,859,456,250                |
| <b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>   |                               |                            |                              |
| 7. Claims unpaid (Line 1).....   | 271,596,790                   | 32,258,354                 | 303,855,144                  |
| 8. Accrued medical incentive pool and bonus payments (Line 2).....                                   | 0                             |                            | 0                            |
| 9. Premiums received in advance (Line 8).....  | 73,389,418                    |                            | 73,389,418                   |
| 10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17)..... | 0                             |                            | 0                            |
| 11. Reinsurance in unauthorized companies (Line 18).....   | 0                             |                            | 0                            |
| 12. All other liabilities (Balance).....   | 741,169,128                   | 54,262,844                 | 795,431,972                  |
| 13. Total liabilities (Line 22).....   | 1,086,155,336                 | 86,521,198                 | 1,172,676,534                |
| 14. Total capital and surplus (Line 31).....   | 686,779,718                   | XXX                        | 686,779,718                  |
| 15. Total liabilities, capital and surplus (Line 32)   | 1,772,935,054                 | 86,521,198                 | 1,859,456,252                |
| <b>NET CREDIT FOR CEDED REINSURANCE</b>  |                               |                            |                              |
| 16. Claims unpaid.....   | 32,258,354                    |                            |                              |
| 17. Accrued medical incentive pool.....  | 0                             |                            |                              |
| 18. Premiums received in advance.....  | 0                             |                            |                              |
| 19. Reinsurance recoverable on paid losses.....  | 26,363,324                    |                            |                              |
| 20. Other ceded reinsurance recoverables.....  | (636,577)                     |                            |                              |
| 21. Total ceded reinsurance recoverables.....  | 57,985,101                    |                            |                              |
| 22. Premiums receivable.....   | 0                             |                            |                              |
| 23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers.....           | 0                             |                            |                              |
| 24. Unauthorized reinsurance.....  | 0                             |                            |                              |
| 25. Other ceded reinsurance payables/offsets.....  | (54,262,844)                  |                            |                              |
| 26. Total ceded reinsurance payables/offsets.....  | (54,262,844)                  |                            |                              |
| 27. Total net credit for ceded reinsurance   | 112,247,945                   |                            |                              |

ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.

**SCHEDULE T – PART 2  
INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

| States, Etc.                 |    | Direct Business Only                   |  |  |  |                                | Totals |
|------------------------------|----|--|--|--|--|--------------------------------|--------|
|                              |    | 1<br>Life<br>(Group and<br>Individual) | 2<br>Annuities (Group<br>and Individual) | 3<br>Disability<br>Income<br>(Group and<br>Individual) | 4<br>Long-Term Care<br>(Group and<br>Individual) | 5<br>Deposit-Type<br>Contracts |        |
| 1. Alabama                   | AL |  |  |  |  |                                | 0      |
| 2. Alaska                    | AK |  |  |  |  |                                | 0      |
| 3. Arizona                   | AZ |  |  |  |  |                                | 0      |
| 4. Arkansas                  | AR |  |  |  |  |                                | 0      |
| 5. California                | CA |  |  |  |  |                                | 0      |
| 6. Colorado                  | CO |  |  |  |  |                                | 0      |
| 7. Connecticut               | CT |  |  |  |  |                                | 0      |
| 8. Delaware                  | DE |  |  |  |  |                                | 0      |
| 9. District of Columbia      | DC |  |  |  | 4,204  |                                | 4,204  |
| 10. Florida                  | FL |  |  |  |  |                                | 0      |
| 11. Georgia                  | GA |  |  |  |  |                                | 0      |
| 12. Hawaii                   | HI |  |  |  |  |                                | 0      |
| 13. Idaho                    | ID |  |  |  |  |                                | 0      |
| 14. Illinois                 | IL |  |  |  |  |                                | 0      |
| 15. Indiana                  | IN |  |  |  |  |                                | 0      |
| 16. Iowa                     | IA |  |  |  |  |                                | 0      |
| 17. Kansas                   | KS |  |  |  |  |                                | 0      |
| 18. Kentucky                 | KY |  |  |  |  |                                | 0      |
| 19. Louisiana                | LA |  |  |  |  |                                | 0      |
| 20. Maine                    | ME |  |  |  |  |                                | 0      |
| 21. Maryland                 | MD |  |  |  | 4,750  |                                | 4,750  |
| 22. Massachusetts            | MA |  |  |  |  |                                | 0      |
| 23. Michigan                 | MI |  |  |  |  |                                | 0      |
| 24. Minnesota                | MN |  |  |  |  |                                | 0      |
| 25. Mississippi              | MS |  |  |  |  |                                | 0      |
| 26. Missouri                 | MO |  |  |  |  |                                | 0      |
| 27. Montana                  | MT |  |  |  |  |                                | 0      |
| 28. Nebraska                 | NE |  |  |  |  |                                | 0      |
| 29. Nevada                   | NV |  |  |  |  |                                | 0      |
| 30. New Hampshire            | NH |  |  |  |  |                                | 0      |
| 31. New Jersey               | NJ |  |  |  |  |                                | 0      |
| 32. New Mexico               | NM |  |  |  |  |                                | 0      |
| 33. New York                 | NY |  |  |  |  |                                | 0      |
| 34. North Carolina           | NC |  |  |  |  |                                | 0      |
| 35. North Dakota             | ND |  |  |  |  |                                | 0      |
| 36. Ohio                     | OH |  |  |  |  |                                | 0      |
| 37. Oklahoma                 | OK |  |  |  |  |                                | 0      |
| 38. Oregon                   | OR |  |  |  |  |                                | 0      |
| 39. Pennsylvania             | PA |  |  |  |  |                                | 0      |
| 40. Rhode Island             | RI |  |  |  |  |                                | 0      |
| 41. South Carolina           | SC |  |  |  |  |                                | 0      |
| 42. South Dakota             | SD |  |  |  |  |                                | 0      |
| 43. Tennessee                | TN |  |  |  |  |                                | 0      |
| 44. Texas                    | TX |  |  |  |  |                                | 0      |
| 45. Utah                     | UT |  |  |  |  |                                | 0      |
| 46. Vermont                  | VT |  |  |  |  |                                | 0      |
| 47. Virginia                 | VA |  |  |  | 7,820  |                                | 7,820  |
| 48. Washington               | WA |  |  |  |  |                                | 0      |
| 49. West Virginia            | WV |  |  |  |  |                                | 0      |
| 50. Wisconsin                | WI |  |  |  |  |                                | 0      |
| 51. Wyoming                  | WY |  |  |  |  |                                | 0      |
| 52. American Samoa           | AS |  |  |  |  |                                | 0      |
| 53. Guam                     | GU |  |  |  |  |                                | 0      |
| 54. Puerto Rico              | PR |  |  |  |  |                                | 0      |
| 55. U.S. Virgin Islands      | VI |  |  |  |  |                                | 0      |
| 56. Northern Mariana Islands | MP |  |  |  |  |                                | 0      |
| 57. Canada                   | CN |  |  |  |  |                                | 0      |
| 58. Aggregate Other Alien    | OT |  |  |  |  |                                | 0      |
| 59. Totals                   |    | 0                                      | 0  | 0  | 16,774   | 0                              | 16,774 |

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.**

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

| 1                      | 2                 | 3  | 4                     | 5                     | 6  | 7  | 8   | 9   | 10  | 11   | 12            | 13   |
|------------------------|-------------------|--|-----------------------|-----------------------|--|--|---|---|-----|--|---------------|--|
| NAIC Company Code      | Federal ID Number | Names of Insurers and Parent, Subsidiaries or Affiliates | Shareholder Dividends | Capital Contributions | Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments | Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s) | Management Agreements and Service Contracts | Income/ (Disbursements) Incurred Under Reinsurance Agreements | *   | Any Other Material Activity Not in the Ordinary Course of the Insurer's Business | Totals        | Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability) |
| 47021                  | 52-2069215        | CareFirst, Inc   |                       |                       |  |  | 370,266                                     |   |     |  | 370,266       |  |
| 53007                  | 53-0078070        | Group Hospitalization & Medical Services, Inc            |                       |                       |  |  | (41,577,365)                                | (614,569)   |     |  | (42,191,934)  | 49,432,834   |
| 47058                  | 52-1385894        | CareFirst of Maryland, Inc                               |                       |                       |  |  | 211,129,251                                 | (2,258,012)   |     |  | 208,871,239   | (53,523,955)   |
| 00000                  | 52-1635265        | CFS Health Group   |                       |                       |  |  | (258)                                       |   |     |  | (258)         |  |
| 60113                  | 52-1962376        | First Care, Inc  |                       |                       |  |  | (4,721,370)                                 | 2,701,129   |     |  | (2,020,241)   | 4,030,586  |
| 00000                  | 52-1187907        | Willse & Associates                                      |                       |                       |  |  | (1,110,277)                                 |   |     |  | (1,110,277)   |  |
| 11227                  | 52-2362725        | CapitalCare, Inc   |                       | 2,000,000             |  |  | 126,814                                     | 196,452   |     |  | 2,323,266     | 60,535   |
| 96202                  | 52-1358219        | CareFirst BlueChoice, Inc                                |                       | (2,000,000)           |  |  | (124,158,900)                               | (25,000)  |     |  | (126,183,900) | (869,439)  |
| 00000                  | 52-1330940        | National Capital Administrative Services, Inc            |                       |                       |  |  | (952,292)                                   |   |     |  | (952,292)     |  |
| 00000                  | 52-1118153        | National Capital Insurance Agency, Inc                   |                       |                       |  |  | (1,122,299)                                 |   |     |  | (1,122,299)   |  |
| 00000                  | 20-1907367        | Service Benefit Plan Admin Services Corp                 |                       |                       |  |  | (35,001,075)                                |   |     |  | (35,001,075)  |  |
| 13130                  | 52-1840909        | The Dental Network, Inc                                  |                       |                       |  |  | (2,982,495)                                 |   |     |  | (2,982,495)   | 869,439  |
| 9999999 Control Totals |                   |  | 0                     | 0                     | 0  | 0  | 0   | 0   | XXX | 0  | 0             | 0  |

69

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

**MARCH FILING**

**Responses**

- 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? ..... WAIVED.....
- 2. Will an actuarial opinion be filed by March 1? ..... YES.....
- 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? ..... YES.....
- 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? ..... YES.....

**APRIL FILING**

- 5. Will Management's Discussion and Analysis be filed by April 1? ..... YES.....
- 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? ..... YES.....
- 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? ..... YES.....

**JUNE FILING**

- 8. Will an audited financial report be filed by June 1? ..... YES.....

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

**MARCH FILING**

- 9. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? ..... YES.....
- 10. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? ..... NO.....
- 11. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? ..... NO.....
- 12. Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? ..... SEE EXPLANATION.....
- 13. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? ..... NO.....
- 14. Will the actuarial opinion on non-guaranteed elements as required in Interrogatories 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? ..... NO.....
- 15. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? ..... YES.....








**APRIL FILING**

- 16. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? ..... YES.....
- 17. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? ..... NO.....
- 18. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? ..... NO.....

**EXPLANATION:**

- 10.
- 11.
- 12. Not a stock company
- 13.
- 14.
- 17.
- 18.

**BAR CODE:**

- 1.  5 3 0 0 7 2 0 0 8 4 6 0 0 0 0 0 0
- 10.  5 3 0 0 7 2 0 0 8 2 0 5 0 0 0 0 0 0
- 11.  5 3 0 0 7 2 0 0 8 2 0 7 0 0 0 0 0 0
- 13.  5 3 0 0 7 2 0 0 8 3 7 1 0 0 0 0 0 0
- 14.  5 3 0 0 7 2 0 0 8 3 7 0 0 0 0 0 0 0
- 17.  5 3 0 0 7 2 0 0 8 2 1 1 5 9 0 0 0 0
- 18.  5 3 0 0 7 2 0 0 8 2 1 3 0 0 0 0 0 0

**OVERFLOW PAGE FOR WRITE-INS**

M014 Additional Aggregate Lines for Page 14 Line 25.  
 \*EXEXP - Underwriting and Investment Exhibit - Part 3

|   | 1<br>Cost<br>Containment<br>Expenses | 2<br>Other Claim<br>Adjustment<br>Expenses | 3<br>General<br>Administrative<br>Expenses | 4<br>Investment<br>Expenses | 5<br>Total   |
|---|--------------------------------------|--|--|-----------------------------|--------------|
| 2504. Miscellaneous expenses/ reimbursement.....              | (7,864)                              | (3,866,864)                                | 669,702                                    |                             | (3,205,026)  |
| 2505. Interest claims expenses.....                           |                                      | 721,785                                    |  |                             | 721,785      |
| 2506. Investment income return to retrospective groups.....   |                                      |  | 34,379                                     |                             | 34,379       |
| 2507. Network access reimbursement- PAR Plans.....            |                                      | (15,714,849)                               |  |                             | (15,714,849) |
| 2508. Direct reimbursements.....                              |                                      | (4,499,514)                                |  |                             | (4,499,514)  |
| 2509. ....  |                                      |  |  |                             | 0            |
| 2597. Summary of remaining write-ins for Line 25 from Page 14 | (7,864)                              | (23,359,442)                               | 704,081                                    | 0                           | (22,663,225) |



**SUPPLEMENTAL EXHIBIT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.**

**MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT**

For The Year Ended December 31, 2008  
(To Be Filed by March 1)

**FOR THE STATE OF District of Columbia**

NAIC Group Code 0380 ..... NAIC Company Code 53007  
 Address (City, State and Zip Code) .....  
 Person Completing This Exhibit ..... Telephone Number .....  
 Title .....

| 1  | 2                         | 3 | 4  | 5       | 6          | 7 | 8          | 9          | 10               | Policies Issued Through 2005 |                  |                            |              | Policies Issued in 2006, 2007, 2008 |                |                            |            |
|--|---------------------------|---|----|---------|------------|---|------------|------------|------------------|------------------------------|------------------|----------------------------|--------------|-------------------------------------|----------------|----------------------------|------------|
|  |                           |   |    |         |            |   |            |            |                  | 11                           | 12               |                            | 14           | 15                                  | 16             |                            | 18         |
|  |                           |   |    |         |            |   |            |            |                  |                              | Amount           | Percent of Premiums Earned |              |                                     | Amount         | Percent of Premiums Earned |            |
| No   | Blue Cross Blue Shield 65 | P | No | 0000000 | 01/01/1965 |   | 11/06/1992 | 07/31/1992 | DC BCBS 65       | 886,580                      | 548,775          | 61.9                       | 319          | 0                                   | 0              | 0.0                        | 0          |
| No   | PR065-0790                | P | No | 0000000 | 07/01/1990 |   | 11/06/1992 | 07/31/1992 | DC Protection 65 | 340,957                      | 175,799          | 51.6                       | 108          | 0                                   | 0              | 0.0                        | 0          |
| Yes  | Medicare Plan A DC (5/99) | A | No | 0230500 | 12/11/1992 |   | 10/25/2000 |            | DC Supplement 65 | 119,013                      | 180,104          | 151.3                      | 47           | 33,984                              | 74,103         | 218.1                      | 11         |
| Yes  | Medigap Plan C DC (5/99)  | C | No | 0230500 | 12/11/1992 |   | 10/25/2000 |            | DC Supplement 65 | 309,140                      | 236,841          | 76.6                       | 90           | 113,818                             | 226,062        | 198.6                      | 36         |
| Yes  | Medigap Plan F DC (5/99)  | F | No | 0230500 | 12/11/1992 |   | 10/25/2000 |            | DC Supplement 65 | 865,216                      | 650,328          | 75.2                       | 252          | 36,463                              | 58,054         | 159.2                      | 14         |
| Yes  | PlanC(1/01) DC            | C | No | 0234000 | 10/25/2000 |   |            |            | DC Supplement 65 | 103,493                      | 66,159           | 63.9                       | 75           | 40,683                              | 63,839         | 156.9                      | 30         |
| Yes  | Medigap UW PlanF(1/01) DC | F | No | 0234000 | 10/25/2000 |   |            |            | DC Supplement 65 | 790,142                      | 532,710          | 67.4                       | 519          | 351,201                             | 387,757        | 110.4                      | 259        |
| <b>0199999 Total Experience on Individual Policies</b> |                           |   |    |         |            |   |            |            |                  | <b>3,414,541</b>             | <b>2,390,716</b> | <b>70.0</b>                | <b>1,410</b> | <b>576,149</b>                      | <b>809,815</b> | <b>140.6</b>               | <b>350</b> |
| <b>0299999 Total Experience on Group Policies</b>      |                           |   |    |         |            |   |            |            |                  | <b>0</b>                     | <b>0</b>         | <b>0.0</b>                 | <b>0</b>     | <b>0</b>                            | <b>0</b>       | <b>0.0</b>                 | <b>0</b>   |

GENERAL INTERROGATORIES

- If response in Column 1 is no, give complete and full details:  
 Product predates OBRA .....
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
  - Address: 10455 Mill Run Circle Owings Mills, MD 21117 .....
  - Contact Person and Phone Number: Alan W. Heath 410-998-7608 .....
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
  - Address: 10455 Mill Run Circle Owings Mills, MD 21117 .....
  - Contact Person and Phone Number: Alan W. Heath 410-998-7608 .....
- Explain any policies identified above as policy type "O".  
 .....

360.DC



**SUPPLEMENTAL EXHIBIT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.**

**MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT**

For The Year Ended December 31, 2008  
(To Be Filed by March 1)

**FOR THE STATE OF Maryland**

NAIC Group Code 0380 ..... NAIC Company Code 53007  
 Address (City, State and Zip Code) .....  
 Person Completing This Exhibit ..... Telephone Number .....  
 Title .....

| 1   | 2                         | 3   | 4               | 5                    | 6             | 7                       | 8                 | 9           | 10                          | Policies Issued Through 2005 |                 |                            |                         | Policies Issued in 2006, 2007, 2008 |                 |                            |                         |
|---|---------------------------|---|-----------------|----------------------|---------------|-------------------------|-------------------|-------------|-----------------------------|------------------------------|-----------------|----------------------------|-------------------------|-------------------------------------|-----------------|----------------------------|-------------------------|
|   |                           |   |                 |                      |               |                         |                   |             |                             | 11                           | 12              |                            | 14                      | 15                                  | 16              |                            | 18                      |
|   |                           |   |                 |                      |               |                         |                   |             |                             |                              | Incurred Claims | 13                         |                         |                                     | Incurred Claims | 17                         |                         |
| Compliance with OBRA                            | Policy Form Number        | Standardized Medicare Supplement Benefit Plan | Medicare Select | Plan Characteristics | Date Approved | Date Approval Withdrawn | Date Last Amended | Date Closed | Policy Marketing Trade Name | Premiums Earned              | Amount          | Percent of Premiums Earned | Number of Covered Lives | Premiums Earned                     | Amount          | Percent of Premiums Earned | Number of Covered Lives |
| No  | Blue Cross Blue Shield 65 | P   | No              | 0000000              | 01/01/1995    |                         | 10/27/1993        | 06/30/1992  | MD BCBS 65                  | 7,811,361                    | 6,499,647       | 83.2                       | 874                     | 0                                   | 0               | 0.0                        | 0                       |
| No  | PR065-0790                | P   | No              | 0000000              | 08/24/1990    |                         | 10/27/1993        | 06/30/1992  | MD Protection 65            | 2,891,969                    | 2,348,607       | 81.2                       | 277                     | 0                                   | 0               | 0.0                        | 0                       |
| Yes   | Medigap Plan A (5/99) MD  | A   | No              | 0000000              | 06/24/1992    |                         | 09/25/2000        | 12/31/1999  | MD Supplement 65            | 318,091                      | 348,128         | 109.4                      | 39                      | 0                                   | 0               | 0.0                        | 0                       |
| Yes   | Medigap Plan C (5/99) MD  | C   | No              | 0000000              | 06/24/1992    |                         | 09/25/2000        | 12/31/1999  | MD Supplement 65            | 2,288,382                    | 1,487,900       | 65.0                       | 162                     | 0                                   | 0               | 0.0                        | 0                       |
| Yes   | Medigap Plan F (5/99) MD  | F   | No              | 0000000              | 06/24/1992    |                         | 09/25/2000        | 12/31/1999  | MD Supplement 65            | 5,490,498                    | 4,061,164       | 74.0                       | 397                     | 0                                   | 0               | 0.0                        | 0                       |
| 0199999 Total Experience on Individual Policies |                           |   |                 |                      |               |                         |                   |             |                             | 18,800,301                   | 14,745,446      | 78.4                       | 1,749                   | 0                                   | 0               | 0.0                        | 0                       |
| 0299999 Total Experience on Group Policies      |                           |   |                 |                      |               |                         |                   |             |                             | 0                            | 0               | 0.0                        | 0                       | 0                                   | 0               | 0.0                        | 0                       |

GENERAL INTERROGATORIES

- If response in Column 1 is no, give complete and full details:  
 Product predates OBRA .....
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
  - Address: 10455 Mill Run Circle Owings Mills, MD 21117 .....
  - Contact Person and Phone Number: Alan W. Heath 410-998-7608 .....
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
  - Address: 10455 Mill Run Circle Owings Mills, MD 21117 .....
  - Contact Person and Phone Number: Alan W. Heath 410-998-7608 .....
- Explain any policies identified above as policy type "O".  
 .....

360.MD





**SUPPLEMENTAL EXHIBIT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.**

**MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT**

For The Year Ended December 31, 2008  
(To Be Filed by March 1)

**FOR THE STATE OF Virginia**

NAIC Group Code 0380 ..... NAIC Company Code 53007  
 Address (City, State and Zip Code) .....  
 Person Completing This Exhibit .....  
 Title ..... Telephone Number .....

| 1  | 2                         | 3   | 4               | 5                    | 6             | 7                       | 8                 | 9           | 10                          | Policies Issued Through 2005 |                  |                            |                         | Policies Issued in 2006, 2007, 2008 |                  |                            |                         |
|--|---------------------------|---|-----------------|----------------------|---------------|-------------------------|-------------------|-------------|-----------------------------|------------------------------|------------------|----------------------------|-------------------------|-------------------------------------|------------------|----------------------------|-------------------------|
|  |                           |   |                 |                      |               |                         |                   |             |                             | 11                           | Incurred Claims  |                            | 14                      | 15                                  | Incurred Claims  |                            | 18                      |
|  |                           |   |                 |                      |               |                         |                   |             |                             |                              | 12               | 13                         |                         |                                     | 16               | 17                         |                         |
| Compliance with OBRA                                   | Policy Form Number        | Standardized Medicare Supplement Benefit Plan | Medicare Select | Plan Characteristics | Date Approved | Date Approval Withdrawn | Date Last Amended | Date Closed | Policy Marketing Trade Name | Premiums Earned              | Amount           | Percent of Premiums Earned | Number of Covered Lives | Premiums Earned                     | Amount           | Percent of Premiums Earned | Number of Covered Lives |
| No   | Blue Cross Blue Shield 65 | P   | No              | 0000000              | 01/01/1965    |                         |                   | 07/31/1992  | VA BCBS 65                  | 1,311,371                    | 759,516          | 57.9                       | 467                     | 0                                   | 0                | 0.0                        | 0                       |
| No   | PR065-0790                | P   | No              | 0000000              | 07/01/1990    |                         |                   | 07/31/1992  | VA Protection 65            | 388,382                      | 302,965          | 78.0                       | 148                     | 0                                   | 0                | 0.0                        | 0                       |
| Yes  | Medigap Plan AVA (5/99)   | A   | No              | 0230560              | 07/30/1992    |                         | 10/12/2000        |             | VA Supplement 65            | 336,179                      | 575,466          | 171.2                      | 69                      | 131,476                             | 346,825          | 263.8                      | 31                      |
| Yes  | Medigap Plan C VA (5/99)  | C   | No              | 0230560              | 07/30/1992    |                         | 10/12/2000        |             | VA Supplement 65            | 643,020                      | 409,152          | 63.6                       | 111                     | 223,630                             | 302,522          | 135.3                      | 37                      |
| Yes  | Medigap Plan F VA (5/99)  | F   | No              | 0230500              | 07/30/1992    |                         | 10/12/2000        |             | VA Supplement 65            | 1,332,036                    | 515,300          | 38.7                       | 266                     | 38,542                              | 94,500           | 245.2                      | 8                       |
| Yes  | Medigap UWPlan C(1/01) VA | C   | No              | 0234000              | 12/29/2000    |                         |                   |             | VA Supplement 65            | 141,183                      | 85,784           | 60.8                       | 83                      | 66,674                              | 216,086          | 324.1                      | 40                      |
| Yes  | Medigap UWPlan F(1/01)    | F   | No              | 0234000              | 12/29/2000    |                         |                   |             | VA Supplement 65            | 1,264,481                    | 739,557          | 58.5                       | 694                     | 601,409                             | 666,854          | 110.9                      | 369                     |
| <b>0199999 Total Experience on Individual Policies</b> |                           |   |                 |                      |               |                         |                   |             |                             | <b>5,416,652</b>             | <b>3,387,740</b> | <b>62.5</b>                | <b>1,838</b>            | <b>1,061,731</b>                    | <b>1,626,787</b> | <b>153.2</b>               | <b>485</b>              |
| <b>0299999 Total Experience on Group Policies</b>      |                           |   |                 |                      |               |                         |                   |             |                             | <b>0</b>                     | <b>0</b>         | <b>0.0</b>                 | <b>0</b>                | <b>0</b>                            | <b>0</b>         | <b>0.0</b>                 | <b>0</b>                |

GENERAL INTERROGATORIES

- If response in Column 1 is no, give complete and full details:  
 Product predates OBRA .....
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
  - Address: 10455 Mill Run Circle Owings Mills, MD 21117 .....
  - Contact Person and Phone Number: Alan W. Heath 410-998-7608 .....
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
  - Address: 10455 Mill Run Circle Owings Mills, MD 21117 .....
  - Contact Person and Phone Number: Alan W. Heath 410-998-7608 .....
- Explain any policies identified above as policy type "O".  
 .....

360.VA



ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Group Hospitalization and Medical Services, Inc.

**MEDICARE PART D COVERAGE SUPPLEMENT  
NET OF REINSURANCE**

For The Year Ended December 31, 2008  
(To Be Filed by March 1)

NAIC Group Code .....0380

NAIC Company Code .....53007

|  | Individual Coverage |                | Group Coverage |                | 5<br>Total<br>Cash |
|--|---------------------|----------------|----------------|----------------|--------------------|
|  | 1<br>Insured        | 2<br>Uninsured | 3<br>Insured   | 4<br>Uninsured |                    |
| 1. Premiums Collected                                    |                     |                |                |                |                    |
| 1.1 Standard Coverage                                    |                     |                |                |                |                    |
| 1.11 With Reinsurance Coverage.....                      | 6,442,508           | XXX            |                | XXX            | 6,442,508          |
| 1.12 Without Reinsurance Coverage.....                   |                     | XXX            |                | XXX            | 0                  |
| 1.13 Risk-Corridor Payment Adjustments.....              |                     | XXX            |                | XXX            | 0                  |
| 1.2 Supplemental Benefits.....                           | 181,578             | XXX            |                | XXX            | 181,578            |
| 2. Premiums Due and Uncollected-change                   |                     |                |                |                |                    |
| 2.1 Standard Coverage                                    |                     |                |                |                |                    |
| 2.11 With Reinsurance Coverage.....                      |                     | XXX            |                | XXX            | XXX                |
| 2.12 Without Reinsurance Coverage.....                   |                     | XXX            |                | XXX            | XXX                |
| 2.2 Supplemental Benefits.....                           |                     | XXX            |                | XXX            | XXX                |
| 3. Unearned Premium and Advance Premium-change           |                     |                |                |                |                    |
| 3.1 Standard Coverage                                    |                     |                |                |                |                    |
| 3.11 With Reinsurance Coverage.....                      |                     | XXX            |                | XXX            | XXX                |
| 3.12 Without Reinsurance Coverage.....                   |                     | XXX            |                | XXX            | XXX                |
| 3.2 Supplemental Benefits.....                           |                     | XXX            |                | XXX            | XXX                |
| 4. Risk-Corridor Payment Adjustments-change              |                     |                |                |                |                    |
| 4.1 Receivable.....                                      |                     | XXX            |                | XXX            | XXX                |
| 4.2 Payable.....   |                     | XXX            |                | XXX            | XXX                |
| 5. Earned Premiums                                       |                     |                |                |                |                    |
| 5.1 Standard Coverage                                    |                     |                |                |                |                    |
| 5.11 With Reinsurance Coverage.....                      | 6,442,508           | XXX            |                | XXX            | XXX                |
| 5.12 Without Reinsurance Coverage.....                   |                     | XXX            |                | XXX            | XXX                |
| 5.13 Risk-Corridor Payment Adjustments.....              |                     | XXX            |                | XXX            | XXX                |
| 5.2 Supplemental Benefits.....                           | 181,578             | XXX            |                | XXX            | XXX                |
| 6. Total Premiums.....                                   | 6,624,086           | XXX            | 0              | XXX            | 6,624,086          |
| 7. Claims Paid   |                     |                |                |                |                    |
| 7.1 Standard Coverage                                    |                     |                |                |                |                    |
| 7.11 With Reinsurance Coverage.....                      | 5,448,953           | XXX            |                | XXX            | 5,448,953          |
| 7.12 Without Reinsurance Coverage.....                   |                     | XXX            |                | XXX            | 0                  |
| 7.2 Supplemental Benefits.....                           | 177,361             | XXX            |                | XXX            | 177,361            |
| 8. Claim Reserves and Liabilities-change                 |                     |                |                |                |                    |
| 8.1 Standard Coverage                                    |                     |                |                |                |                    |
| 8.11 With Reinsurance Coverage.....                      | 10,207              | XXX            |                | XXX            | XXX                |
| 8.12 Without Reinsurance Coverage.....                   |                     | XXX            |                | XXX            | XXX                |
| 8.2 Supplemental Benefits.....                           | 10,656              | XXX            |                | XXX            | XXX                |
| 9. Health Care Receivables-change                        |                     |                |                |                |                    |
| 9.1 Standard Coverage                                    |                     |                |                |                |                    |
| 9.11 With Reinsurance Coverage.....                      |                     | XXX            |                | XXX            | XXX                |
| 9.12 Without Reinsurance Coverage.....                   |                     | XXX            |                | XXX            | XXX                |
| 9.2 Supplemental Benefits.....                           |                     | XXX            |                | XXX            | XXX                |
| 10. Claims Incurred                                      |                     |                |                |                |                    |
| 10.1 Standard Coverage                                   |                     |                |                |                |                    |
| 10.11 With Reinsurance Coverage.....                     | 5,459,160           | XXX            | 0              | XXX            | XXX                |
| 10.12 Without Reinsurance Coverage.....                  | 0                   | XXX            | 0              | XXX            | XXX                |
| 10.2 Supplemental Benefits.....                          | 188,017             | XXX            | 0              | XXX            | XXX                |
| 11. Total Claims.....                                    | 5,647,177           | XXX            | 0              | XXX            | 5,626,314          |
| 12. Reinsurance Coverage and Low Income Cost Sharing     |                     |                |                |                |                    |
| 12.1 Claims Paid – Net of Reimbursements Applied.....    | XXX                 |                | XXX            |                | 0                  |
| 12.2 Reimbursements Received but Not Applied-change..... | XXX                 |                | XXX            |                | 0                  |
| 12.3 Reimbursements Receivable-change.....               | XXX                 |                | XXX            |                | XXX                |
| 12.4 Health Care Receivables-change.....                 | XXX                 |                | XXX            |                | XXX                |
| 13. Aggregate Policy Reserves-change.....                |                     |                |                |                | XXX                |
| 14. Expenses Paid.....                                   | 1,523,278           | XXX            |                | XXX            | 1,523,278          |
| 15. Expenses Incurred.....                               | 1,523,278           | XXX            |                | XXX            | XXX                |
| 16. Underwriting Gain/Loss.....                          | (546,369)           | XXX            | 0              | XXX            | XXX                |
| 17. Cash Flow Results.....                               | XXX                 | XXX            | XXX            | XXX            | (525,506)          |

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