

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE HOMETOWN HEALTH PLAN

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	617,965		617,965	617,965
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	179,704		179,704	150,426
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances).....			0	0
4.3 Properties held for sale (less \$ encumbrances).....			0	0
5. Cash (\$1,717,862 , Schedule E - Part 1), cash equivalents (\$0 , Schedule E - Part 2) and short-term investments (\$0 , Schedule DA).....	1,717,862		1,717,862	1,720,573
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA).....	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	2,515,531	0	2,515,531	2,488,964
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	11,171		11,171	11,170
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,526,702	0	2,526,702	2,500,134
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27).....	2,526,702	0	2,526,702	2,500,134
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above).....	0	0	0	0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above).....	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)			.0	.0
2. Accrued medical incentive pool and bonus amounts			.0	.0
3. Unpaid claims adjustment expenses			.0	.0
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act			.0	.0
5. Aggregate life policy reserves			.0	.0
6. Property/casualty unearned premium reserves			.0	.0
7. Aggregate health claim reserves			.0	.0
8. Premiums received in advance			.0	.0
9. General expenses due or accrued	.5,330		.5,330	.5,316
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			.0	.0
10.2 Net deferred tax liability			.0	.0
11. Ceded reinsurance premiums payable			.0	.0
12. Amounts withheld or retained for the account of others			.0	.0
13. Remittances and items not allocated			.0	.0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current))			.0	.0
15. Amounts due to parent, subsidiaries and affiliates			.0	.0
16. Derivatives			.0	.0
17. Payable for securities			.0	.0
18. Payable for securities lending			.0	.0
19. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			.0	.0
20. Reinsurance in unauthorized companies			.0	.0
21. Net adjustments in assets and liabilities due to foreign exchange rates			.0	.0
22. Liability for amounts held under uninsured plans			.0	.0
23. Aggregate write-ins for other liabilities (including \$ current)	0	.0	.0	.0
24. Total liabilities (Lines 1 to 23)	.5,330	.0	.5,330	.5,316
25. Aggregate write-ins for special surplus funds	XXX	XXX	.0	.0
26. Common capital stock	XXX	XXX	.0	.0
27. Preferred capital stock	XXX	XXX	.0	.0
28. Gross paid in and contributed surplus	XXX	XXX	2,000,000	2,000,000
29. Surplus notes	XXX	XXX	.0	.0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	.0	.0
31. Unassigned funds (surplus)	XXX	XXX	.521,371	494,817
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX	.0	.0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX	.0	.0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,521,371	2,494,817
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,526,701	2,500,133
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	.0	.0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	.0	.0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX.....	.0	0
2. Net premium income (including \$ 0 non-health premium income).....	XXX.....	.0	0
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	.0	0
4. Fee-for-service (net of \$	XXX.....	.0	0
5. Risk revenue.....	XXX.....	.0	0
6. Aggregate write-ins for other health care related revenues.....	XXX.....	.0	0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	.0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	.0	0
Hospital and Medical:			
9. Hospital/medical benefits.....			0
10. Other professional services.....			0
11. Outside referrals.....			0
12. Emergency room and out-of-area.....			0
13. Prescription drugs.....			0
14. Aggregate write-ins for other hospital and medical.....	.0	.0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15).....	.0	.0	0
Less:			
17. Net reinsurance recoveries.....			0
18. Total hospital and medical (Lines 16 minus 17).....	.0	.0	0
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ 0 cost containment expenses.....		.0	0
21. General administrative expenses.....	.0	5,418	5,689
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		.0	0
23. Total underwriting deductions (Lines 18 through 22).....	.0	5,418	5,689
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	(5,418)	(5,689)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		31,971	32,988
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26).....	.0	31,971	32,988
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses.....	.0	.0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	26,553	27,299
31. Federal and foreign income taxes incurred.....	XXX.....		0
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	26,553	27,299
DETAILS OF WRITE-INS			
0601.....	XXX.....		
0602.....	XXX.....		
0603.....	XXX.....		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	.0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX.....	0	0
0701.....	XXX.....		
0702.....	XXX.....		
0703.....	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	.0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX.....	0	0
1401. COB / SUBROGATION.....			0
1402.....			
1403.....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.0	.0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901.....			
2902.....			
2903.....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.0	.0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior reporting year	2,494,817	2,467,518
34. Net income or (loss) from Line 32	26,553	27,299
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	0	0
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	0	0
39. Change in nonadmitted assets .....	.0	0
40. Change in unauthorized reinsurance .....	.0	0
41. Change in treasury stock .....	.0	0
42. Change in surplus notes .....	.0	0
43. Cumulative effect of changes in accounting principles	0	0
44. Capital Changes:		
44.1 Paid in .....	.0	0
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus	0	0
45. Surplus adjustments:		
45.1 Paid in .....	.0	0
45.2 Transferred to capital (Stock Dividend) .....	.0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	.0	0
48. Net change in capital and surplus (Lines 34 to 47)	26,553	27,299
49. Capital and surplus end of reporting year (Line 33 plus 48)	2,521,370	2,494,817
DETAILS OF WRITE-INS		
4701.	0	0
4702.	0	0
4703.	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	0	0
2. Net investment income.....	31,970	32,991
3. Miscellaneous income.....	0	0
4. Total (Lines 1 through 3).....	31,970	32,991
5. Benefit and loss related payments.....	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	5,404	5,263
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0
10. Total (Lines 5 through 9).....	5,404	5,263
11. Net cash from operations (Line 4 minus Line 10).....	26,566	27,728
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	0	0
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	0	0
13.2 Stocks.....	29,277	30,040
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	29,277	30,040
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	(29,277)	(30,040)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	0	(4,720)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	0	(4,720)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(2,711)	(7,032)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	1,720,569	1,727,601
19.2 End of year (Line 18 plus Line 19.1).....	1,717,858	1,720,569

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	.0	.0	0	.0	.0	0	0	.0	.0	0
2. Change in unearned premium reserves and reserve for rate credit	.0									
3. Fee-for-service (net of \$ medical expenses)	.0									XXX
4. Risk revenue	.0									XXX
5. Aggregate write-ins for other health care related revenues	.0									XXX
6. Aggregate write-ins for other non-health care related revenues	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	.0	0	0	.0	.0	0	0	.0	0	0
8. Hospital/medical benefits	.0									XXX
9. Other professional services	.0									XXX
10. Outside referrals	.0									XXX
11. Emergency room and out-of-area	.0									XXX
12. Prescription drugs	.0									XXX
13. Aggregate write-ins for other hospital and medical	.0		0	.0	.0	0	0	.0	.0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	.0									XXX
15. Subtotal (Lines 8 to 14)	.0	0	0	.0	.0	0	0	.0	.0	XXX
16. Net reinsurance recoveries	.0									XXX
17. Total hospital and medical (Lines 15 minus 16)	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
18. Non-health claims (net)	.0									0
19. Claims adjustment expenses including \$ cost containment expenses	.0									XXX
20. General administrative expenses	5,418	5,418								
21. Increase in reserves for accident and health contracts	.0									XXX
22. Increase in reserves for life contracts	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	5,418	5,418	0	.0	.0	0	0	.0	.0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(5,418)	(5,418)	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	.0	0	0	.0	.0	0	0	.0	.0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	.0	0	0	.0	.0	0	0	.0	.0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement .....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8) .....	.0	0	0	.0
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	0	0	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	0									
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	0	0	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	0	0	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	0	0	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	0	0	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	0	0	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan Premium	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	0									
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1 Direct	0									
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	0	0	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	0	0	0	0	0	0
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9 - 10 + 11 + 12)	0	0	0	0	0	0

(a) Excludes \$loans or advances to providers not yet expensed.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	0
2. 2007.....	0	0	0	0	0
3. 2008.....	XXX	0	0	0	0
4. 2009.....	XXX	XXX	0	0	0
5. 2010.....	XXX	XXX	XXX	0	0
6. 2011.....	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	0
2. 2007.....	0	0	0	0	0
3. 2008.....	XXX	0	0	0	0
4. 2009.....	XXX	XXX	0	0	0
5. 2010.....	XXX	XXX	XXX	0	0
6. 2011.....	XXX	XXX	XXX	XXX	0

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2007.....	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2008.....	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2009.....	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2010.....	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2011.....	0	0	0	0.0	0	0.0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)	0								
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	0	0	0	0	0	0	0	0	0
7. Reinsurance ceded	0								
8. Totals (Net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

NONE

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building).....					0
2. Salaries, wages and other benefits.....					0
3. Commissions (less \$ ceded plus \$ assumed).....					0
4. Legal fees and expenses.....					0
5. Certifications and accreditation fees.....			0		0
6. Auditing, actuarial and other consulting services.....			747		747
7. Traveling expenses.....					0
8. Marketing and advertising.....					0
9. Postage, express and telephone.....					0
10. Printing and office supplies.....					0
11. Occupancy, depreciation and amortization.....					0
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....					0
15. Boards, bureaus and association fees.....					0
16. Insurance, except on real estate.....					0
17. Collection and bank service charges.....					0
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....			250		250
23.3 Regulatory authority licenses and fees.....					0
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....			4,421		4,421
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	0	0	5,418	0	(a).....5,418
27. Less expenses unpaid December 31, current year.....			5,330		5,330
28. Add expenses unpaid December 31, prior year.....	0	0	5,316	0	5,316
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	0	5,404	0	5,404
DETAIL OF WRITE-INS					
2501.....					
2502.....					
2503.....					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598)(Line 25 above)	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	29,509
1.1 Bonds exempt from U.S. tax	(a)	29,565
1.2 Other bonds (unaffiliated)	(a)	0
1.3 Bonds of affiliates	(a)	0
2.1 Preferred stocks (unaffiliated)	(b)	0
2.11 Preferred stocks of affiliates	(b)	0
2.2 Common stocks (unaffiliated)	(b)	54
2.21 Common stocks of affiliates	(b)	49
3. Mortgage loans	(c)	0
4. Real estate	(d)	0
5. Contract loans	(d)	0
6. Cash, cash equivalents and short-term investments	(e)	2,357
7. Derivative instruments	(f)	2,357
8. Other invested assets	(f)	0
9. Aggregate write-ins for investment income	(f)	0
10. Total gross investment income	31,920	31,971
11. Investment expenses	(g)	0
12. Investment taxes, licenses and fees, excluding federal income taxes	(g)	0
13. Interest expense	(h)	0
14. Depreciation on real estate and other invested assets	(i)	0
15. Aggregate write-ins for deductions from investment income	(i)	0
16. Total deductions (Lines 11 through 15)	(i)	0
17. Net investment income (Line 10 minus Line 16)	31,971	31,971
DETAILS OF WRITE-INS		
0901.	0	0
0902.	0	0
0903.	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.	0	0
1502.	0	0
1503.	0	0
1598. Summary of remaining write-ins for Line 15 from overflow page	0	0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)	0	0

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

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5. Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	0	0	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	0	0	0	0	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	0	0	0	0	0
DETAILS OF WRITE-INS			0	0	0
0901.	0	0	0	0	0
0902.	0	0	0	0	0
0903.	0	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	0	0	0
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27).....	0	0	0
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above).....	0	0	0
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above).....	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	0					
2. Provider Service Organizations.....	0					
3. Preferred Provider Organizations.....	0					
4. Point of Service.....	0					
5. Indemnity Only.....	0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	0	0	0	0	0	0
DETAILS OF WRITE-INS						
0601.....	0					
0602.....						
0603.....						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Hometown Health Plan (the Plan) have been prepared in conformity with the accounting practices prescribed or permitted by the Ohio Department of Insurance. The statements have been completed in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual except to the extent that state law differs.

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

The preparation of financial statements in conformity with the Annual Statement Instructions and *Accounting Practices and Procedures* manual requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the period. Actual results may differ from those estimates.

C. Accounting Policy

The Plan's statutory-basis financial statements are prepared in accordance with accounting practices prescribed or permitted by the Ohio Department of Insurance. The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices. Such practices vary from accounting principles generally accepted in the United States (GAAP). The more significant variances from GAAP as to these statements are as follows:

Nonadmitted Assets-Certain assets designated as "nonadmitted", principally accounts receivable greater than ninety days old, prepaid expenses and other assets not specifically identified as an admitted asset within the Accounting Practices and Procedures Manual, are excluded from the accompanying balance sheets and are charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.

Statements of Cash Flows-Cash and short term investments in the statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

Equity securities are recorded at market value as determined by the Securities Valuation Office of the NAIC and the related unrealized capital gains or losses are reported in unassigned surplus.

Realized capital gains and losses are determined on the first-in, first-out cost method. Changes in admitted asset carrying amounts of bonds and equity securities are credited or charged directly to unassigned surplus.

Premiums-Premiums are earned pro rata over the terms of the policies. The reserve for unearned premiums is determined on a monthly pro rata basis.

Reclassification-Certain prior year amounts have been reclassified to conform to current year presentation.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at market value as determined by the Securities Valuation Office of the NAIC.
- (2) Investments in bonds are reported at amortized cost based on their National Association of

NOTES TO FINANCIAL STATEMENTS

Insurance Commissioners (NAIC) rating; for GAAP such fixed maturity investments would be designated as available-for-sale investments and would be reported at fair value with unrealized holding gains and losses reported as a separate component of capital and surplus. The cost is adjusted for amortization of premiums and discounts using the straight-line method.

(3) Common stocks are stated at market value as determined by the Securities Valuation Office of the NAIC.

(4) Preferred stocks are stated at market value as determined by the Securities Valuation Office of the NAIC.

(5) The Plan has no mortgage loans.

(6) All single class and multi-class mortgage-backed/asset-backed securities (e.g., CMOs) are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using either the retrospective or prospective methods. If it is determined that a decline in fair value is other than temporary, the cost basis of the security is written down to the undiscounted estimated future cash flows.

(7) The Plan holds no investments with respect to any subsidiaries controlled or affiliated companies.

(8) The Plan has no ownership interests in joint ventures, partnerships or limited liability companies.

(9) The Plan has no derivatives.

(10 & 11) Health claims payable represents management's best estimate of ultimate net cost of all reported and unreported claims incurred and unpaid at December 31, 2009. The method for estimating health claims payable is based on a review of historical claim payment patterns and claim trends. Those estimates are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the amounts reported for health claims payable are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

2. Accounting Changes and Corrections of Errors

A. There were no material changes in accounting principles and/or correction of errors.

B. Illustrative Disclosure for Insurers Upon Initial Implementation of Codification:

(1) The Plan prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures Manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned surplus in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

(2) As a result of these changes, the Plan reported a change of accounting principle, as an adjustment that decreased capital and surplus, of \$892,885 as of January 1, 2001.

3. Business Combinations and Goodwill

Effective July 1, 2003, HomeTown was acquired by The Health Plan of the Upper Ohio Valley, Inc. ("THPUOV") in exchange for \$9,402,691 in cash and \$10,926,559 in liabilities existing as of that date. The excess of purchase price over the fair value of net assets acquired approximated \$578,075 and has been recorded as goodwill on the balance sheet of THPUOV. HomeTown has not recognized any change in the basis of its assets and liabilities as a result of this purchase transaction.

NOTES TO FINANCIAL STATEMENTS

4. Discontinued Operations

Effective April 1, 2006, all members of HomeTown Health Plan were transferred to THPUOV which included membership in HomeTown's HMO and Medicare Advantage plans. Benefits for the insured members remained the same under THPUOV. In addition, HomeTown discontinued writing new policies as of March 31, 2006.

5. Investments

- A. Mortgage Loans - NONE
- B. Debt Restructuring - NONE
- C. Reverse Mortgages - NONE
- D. Loan-Backed Securities - NONE
- E. Repurchase Agreements - NONE
- F. Real Estate - NONE
- G. Low-Income Housing Tax Credits - NONE

6. Joint Ventures, Partnerships and Limited Liability Companies

NONE

7. Investment Income

NONE

8. Derivative Instruments

NONE

9. Income Taxes

The Plan is a not-for-profit corporation as described in Section 501(c)(4) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

10. Information Concerning Parent, Subsidiaries and Affiliates (disclosure of relationships)

At December 31, 2011 the Plan had no money receivable from, or due to, affiliated companies.

In December 2006, the Board of Directors of HomeTown Health Plan declared an extraordinary distribution in the amount of \$13,500,000 and an extraordinary dividend in the amount of \$27,228,203. The extraordinary distribution will be paid from Contributed Surplus and the extraordinary dividend will be paid from Unassigned Surplus. The Ohio Department of Insurance was notified of this transaction on December 21, 2006 and subsequently sent an approval of the transaction on January 5, 2007. The extraordinary distribution of \$13,500,000 was paid in full in March 2007. The majority, totaling \$26,867,965, of the extraordinary dividend was paid by April 2007.

11. Debt

NONE

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

NONE

13. Capital and Surplus, Shareholders' Dividend Restrictions and

NOTES TO FINANCIAL STATEMENTS

Quasi-Reorganizations

NONE

14. Contingencies

NONE

15. Leases

NONE

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

NONE

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

NONE

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

NONE

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

NONE

20. Fair Value Measurements

A. (1) Fair Value Measurements at Reporting Date

<u>Description for each class of asset or liability</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
---	------------------	------------------	------------------	--------------

a. Assets at fair value

Perpetual Preferred stock

Industrial and Misc

Parent, Subsidiaries and Affiliates

Total Perpetual Preferred Stock

Bonds

U.S. Governments	\$617,965	\$617,965
------------------	-----------	-----------

Industrial and Misc

Hybrid Securities

Parent, Subsidiaries and Affiliates

Total Bonds

\$617,965

\$617,965

Common Stock

Industrial and Misc	\$179,704	\$179,704
---------------------	-----------	-----------

Parent, Subsidiaries and Affiliates

Total Common Stocks

\$179,704

\$179,704

Derivative assets

Interest rate contracts

Foreign exchange contracts

Credit Contracts

Commodity futures contracts

Commodity forward contracts

Total Derivatives

Separate account assets

NOTES TO FINANCIAL STATEMENTS

Total assets at fair value	<u>\$797,669</u>	<u>\$797,669</u>
b. Liabilities at fair value		
Derivative liabilities		
Total liabilities at fair value		

21. Other items

NONE

22. Events Subsequent

NONE

23. Reinsurance

- A. Unsecured Reinsurance Recoverables - NONE
- B. Reinsurance Recoverable in Dispute - NONE
- C. Reinsurance Assumed and Ceded - NONE
- D. Uncollectible Reinsurance - NONE
- E. Commutation of Ceded Reinsurance - NONE
- F. Retroactive Reinsurance - NONE

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

NONE

25. Change in Incurred Claims and Claim Adjustment Expenses

NONE

26. Intercompany Pooling Arrangements:

NONE

27. Structured Settlements:

NONE

28. Healthcare Receivables:

NONE

29. Participating Policies:

NONE

30. Premium Deficiency:

NONE

31. Anticipated Salvage and Subrogation:

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA []

1.3 State Regulating? Ohio

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2003

3.2 State as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2003

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 08/12/2004

3.4 By what department or departments? Ohio Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] NA []

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] NA []

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [] No []

4.12 renewals? Yes [] No []

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [] No []

4.22 renewals? Yes [] No []

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation. Yes [] No []

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No []

6.2 If yes, give full information Yes [] No []

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []

7.2 If yes,

7.21 State the percentage of foreign control Yes [] No []

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney - in - fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney - in - fact). Yes [] No []

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
N/A - Exempt

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] NA []

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
N/A - exempt from filing actuarial opinion

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company
12.12 Number of parcels involved.....
12.13 Total book/adjusted carrying value..... \$.....

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and

a. professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

GENERAL INTERROGATORIES

BOARD OF DIRECTORS

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?..... Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

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

FINANCIAL

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

INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3)..... Yes [X] No []
 24.2 If no, give full and complete information, relating thereto
 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 N/A
 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?..... Yes [] No [] NA [X]
 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$.....
 24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$.....
 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?..... Yes [] No [] NA [X]
 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?..... Yes [] No [] NA [X]
 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?..... Yes [] No [] NA [X]

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3) Yes [] No [X]

25.2 If yes, state the amount thereof at December 31 of the current year: 25.21 Subject to repurchase agreements \$
25.22 Subject to reverse repurchase agreements \$
25.23 Subject to dollar repurchase agreements \$
25.24 Subject to reverse dollar repurchase agreements \$
25.25 Pledged as collateral \$
25.26 Placed under option agreements \$
25.27 Letter stock or securities restricted as to sale \$
25.28 On deposit with state or other regulatory body \$
25.29 Other \$

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year \$

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

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan.....	2 Bae Mar Place, Wheeling, WV 26003.....

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
.....	JP Morgan.....	2 Bae Mar Place, Wheeling, WV 26003.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

GENERAL INTERROGATORIES

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
29.2999 TOTAL		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
30.1 Bonds.....	617,965	783,921	165,956
30.2 Preferred Stocks.....	0	0	0
30.3 Totals.....	617,965	783,921	165,956

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [X] No []
 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [X] No []
 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?..... Yes [X] No []
 32.2 If no, list exceptions:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any?.....\$

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

34.1 Amount of payments for legal expenses, if any?.....\$

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 0	\$ 0
2.3	Premium Ratio (2.1/2.2)	..... 0.000	..... 0.000
2.4	Reserve Numerator	\$ 0	\$ 0
2.5	Reserve Denominator	\$ 0	\$ 0
2.6	Reserve Ratio (2.4/2.5)	..... 0.000	..... 0.000

3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?	Yes [] No [X]
3.2	If yes, give particulars:	
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?	Yes [X] No []
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?	Yes [] No [X]
5.1	Does the reporting entity have stop-loss reinsurance?	Yes [X] No []
5.2	If no, explain:	
5.3	Maximum retained risk (see instructions)	
	5.31 Comprehensive Medical	\$ 0
	5.32 Medical Only	\$ 0
	5.33 Medicare Supplement	\$ 0
	5.34 Dental and Vision	\$ 0
	5.35 Other Limited Benefit Plan	\$ 0
	5.36 Other	\$ 0
6.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:	
	No claim liabilities, no business written	
7.1	Does the reporting entity set up its claim liability for provider services on a service date basis?	Yes [X] No []
7.2	If no, give details	
8.	Provide the following information regarding participating providers:	
	8.1 Number of providers at start of reporting year .....	..... 0
	8.2 Number of providers at end of reporting year .....	..... 0
9.1	Does the reporting entity have business subject to premium rate guarantees?	Yes [] No [X]
9.2	If yes, direct premium earned:	
	9.21 Business with rate guarantees between 15-36 months	
	9.22 Business with rate guarantees over 36 months	

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?..... Yes [] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses	\$.....
10.22 Amount actually paid for year bonuses	\$.....
10.23 Maximum amount payable withholds	\$.....
10.24 Amount actually paid for year withholds	\$.....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,	Yes [] No [X]
11.13 An Individual Practice Association (IPA), or,	Yes [] No [X]
11.14 A Mixed Model (combination of above) ?	Yes [] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?..... Yes [] No [X]

11.3 If yes, show the name of the state requiring such net worth.

11.4 If yes, show the amount required. \$.....

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]

11.6 If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area	
Ashland.....	
Carroll.....	
Columbiana.....	
Coshocton.....	
Cuyahoga.....	
Geauga.....	
Guernsey.....	
Harrison.....	
Holmes.....	
Knox.....	
Lorain.....	
Mahoning.....	
Medina.....	
Muskingham.....	
Portage.....	
Richland.....	
Stark.....	
Summit.....	
Trumbull.....	
Tuscarawas.....	
Wayne.....	

13.1 Do you act as a custodian for health savings accounts?..... Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....

13.3 Do you act as an administrator for health savings accounts?..... Yes [] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

FIVE-YEAR HISTORICAL DATA

	1 2011	2 2010	3 2009	4 2008	5 2007
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	2,526,702	2,500,134	2,477,128	2,592,264	2,509,150
2. Total liabilities (Page 3, Line 24)	5,330	5,316	9,610	6,442	115,392
3. Statutory surplus	.0	.0	.0	.0	.0
4. Total capital and surplus (Page 3, Line 33)	2,521,371	2,494,817	2,467,518	2,585,822	2,393,759
Income Statement (Page 4)					
5. Total revenues (Line 8)	.0	.0	.0	.0	.71,119
6. Total medical and hospital expenses (Line 18)	.0	.0	.0	(2,000)	.60,606
7. Claims adjustment expenses (Line 20)	.0	.0	.0	.0	.0
8. Total administrative expenses (Line 21)	5,418	5,689	17,531	5,328	.76,774
9. Net underwriting gain (loss) (Line 24)	(5,418)	(5,689)	(17,531)	(3,328)	(.66,261)
10. Net investment gain (loss) (Line 27)	31,971	32,988	32,633	58,192	.4,061,568
11. Total other income (Lines 28 plus 29)	.0	.0	.0	.0	.0
12. Net income or (loss) (Line 32)	26,553	27,299	15,102	54,864	.3,995,307
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	26,566	27,728	13,582	51,026	(.848,125)
Risk - Based Capital Analysis					
14. Total adjusted capital	2,521,371	2,494,817	2,467,518	2,585,822	2,393,759
15. Authorized control level risk-based capital	2,847	2,807	2,773	2,745	750,040
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	.0	.0	.0	.0	.0
17. Total members months (Column 6, Line 7)	.0	.0	.0	.0	.0
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	.0.0	.0.0	.0.0	.0.0	.85.2
20. Cost containment expenses	.0.0	.0.0	.0.0	.0.0	.XXX.
21. Other claims adjustment expenses	.0.0	.0.0	.0.0	.0.0	.0.0
22. Total underwriting deductions (Line 23)	.0.0	.0.0	.0.0	.0.0	.193.2
23. Total underwriting gain (loss) (Line 24)	.0.0	.0.0	.0.0	.0.0	(.93.2)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	.0	.0	.0	.0	170,071
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	.0	.0	.0	2,000	109,465
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	.0	.0	.0	.0	.0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	.0	.0	.0	.0	.0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	.0	.0	.0	.0	.0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	.0	.0	.0	.0	.0
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	0	0	0	0	0

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

Yes No

If no, please explain

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL							0	0
2. Alaska	AK							0	0
3. Arizona	AZ							0	0
4. Arkansas	AR							0	0
5. California	CA							0	0
6. Colorado	CO							0	0
7. Connecticut	CT							0	0
8. Delaware	DE							0	0
9. Dist. of Columbia	DC							0	0
10. Florida	FL							0	0
11. Georgia	GA							0	0
12. Hawaii	HI							0	0
13. Idaho	ID							0	0
14. Illinois	IL							0	0
15. Indiana	IN							0	0
16. Iowa	IA							0	0
17. Kansas	KS							0	0
18. Kentucky	KY							0	0
19. Louisiana	LA							0	0
20. Maine	ME							0	0
21. Maryland	MD							0	0
22. Massachusetts	MA							0	0
23. Michigan	MI							0	0
24. Minnesota	MN							0	0
25. Mississippi	MS							0	0
26. Missouri	MO							0	0
27. Montana	MT							0	0
28. Nebraska	NE							0	0
29. Nevada	NV							0	0
30. New Hampshire	NH							0	0
31. New Jersey	NJ							0	0
32. New Mexico	NM							0	0
33. New York	NY							0	0
34. North Carolina	NC							0	0
35. North Dakota	ND							0	0
36. Ohio	OH	L	0	0	0	0	0	0	0
37. Oklahoma	OK							0	0
38. Oregon	OR							0	0
39. Pennsylvania	PA							0	0
40. Rhode Island	RI							0	0
41. South Carolina	SC							0	0
42. South Dakota	SD							0	0
43. Tennessee	TN							0	0
44. Texas	TX							0	0
45. Utah	UT							0	0
46. Vermont	VT							0	0
47. Virginia	VA							0	0
48. Washington	WA							0	0
49. West Virginia	WV							0	0
50. Wisconsin	WI							0	0
51. Wyoming	WY							0	0
52. American Samoa	AS							0	0
53. Guam	GU							0	0
54. Puerto Rico	PR							0	0
55. U.S. Virgin Islands	VI							0	0
56. Northern Mariana Islands	MP							0	0
57. Canada	CN							0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal		XXX	0	0	0	0	0	0	0
60. Reporting entity contributions for Employee Benefit Plans		XXX						0	0
61. Total (Direct Business)	(a)	1	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
5801.		XXX							
5802.		XXX							
5803.		XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX	0	0	0	0	0	0	0

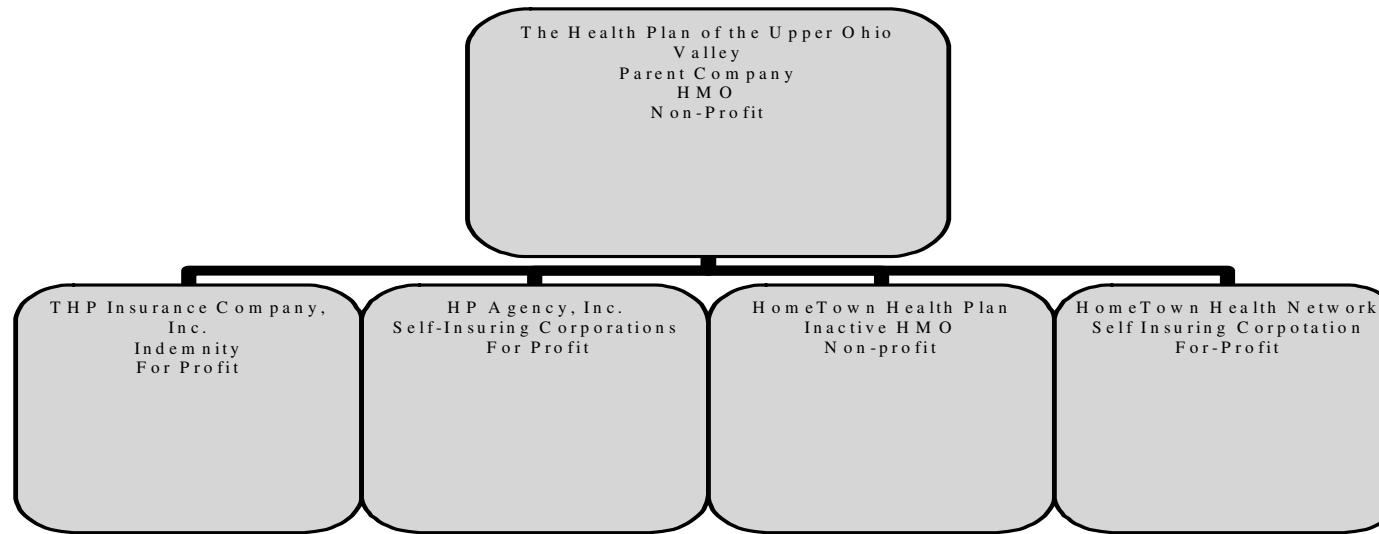
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

Explanation of basis of allocation by states, premiums by state, etc.

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Hometown Health Plan

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



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Exhibit of Nonadmitted Assets	16
Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 – Enrollment By Product Type for Health Business Only	17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18
Exhibit 3 – Health Care Receivables	19
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23
Exhibit 8 – Furniture, Equipment and Supplies Owned	24
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Premiums, Enrollment and Utilization (State Page)	29
Five-Year Historical Data	28
General Interrogatories	26
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	25
Overflow Page For Write-ins	41
Schedule A – Part 1	E01
Schedule A – Part 2	E02
Schedule A – Part 3	E03
Schedule A – Verification Between Years	SI02
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Part 3	E06
Schedule B – Verification Between Years	SI02
Schedule BA – Part 1	E07
Schedule BA – Part 2	E08
Schedule BA – Part 3	E09
Schedule BA – Verification Between Years	SI03
Schedule D – Part 1	E10
Schedule D – Part 1A – Section 1	SI05

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule D – Part 2 – Section 2	E12
Schedule D – Part 3	E13
Schedule D – Part 4	E14
Schedule D – Part 5	E15
Schedule D – Part 6 – Section 1	E16
Schedule D – Part 6 – Section 2	E16
Schedule D – Summary By Country	SI04
Schedule D – Verification Between Years	SI03
Schedule DA – Part 1	E17
Schedule DA – Verification Between Years	SI10
Schedule DB – Part A – Section 1	E18
Schedule DB – Part A – Section 2	E19
Schedule DB – Part A – Verification Between Years	SI11
Schedule DB – Part B – Section 1	E20
Schedule DB – Part B – Section 2	E21
Schedule DB – Part B – Verification Between Years	SI11
Schedule DB – Part C – Section 1	SI12
Schedule DB – Part C Section 2	SI13
Schedule DB – Part D	E22
Schedule DB – Verification	SI14
Schedule E – Part 1 – Cash	E23
Schedule E – Part 2 – Cash Equivalents	E24
Schedule E – Part 3 – Special Deposits	E25
Schedule E – Verification Between Years	SI15
Schedule S – Part 1 – Section 2	30
Schedule S – Part 2	31
Schedule S – Part 3 – Section 2	32
Schedule S – Part 4	33
Schedule S – Part 5	34
Schedule S – Part 6	35
Schedule T – Part 2 – Interstate Compact	37
Schedule T – Premiums and Other Considerations	36
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule Y - Part 2 – Summary of Insurer's Transactions With Any Affiliates	39
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	40
Underwriting and Investment Exhibit – Part 1	8
Underwriting and Investment Exhibit – Part 2	9
Underwriting and Investment Exhibit – Part 2A	10

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Underwriting and Investment Exhibit – Part 2B	11
Underwriting and Investment Exhibit – Part 2C	12
Underwriting and Investment Exhibit – Part 2D	13
Underwriting and Investment Exhibit – Part 3	14

