



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

Community Insurance Company

NAIC Group Code	0671 (Current)	0671 (Prior)	NAIC Company Code	10345	Employer's ID Number	31-1440175
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States of America					
Licensed as business type:	Property/Casualty					
Is HMO Federally Qualified?	Yes [] No [X]					
Incorporated/Organized	07/08/1995		Commenced Business	10/01/1995		
Statutory Home Office	4361 Irwin Simpson Road (Street and Number)		Mason, OH, US 45040-9498 (City or Town, State, Country and Zip Code)			
Main Administrative Office	4361 Irwin Simpson Road (Street and Number)		Mason, OH, US 45040-9498 (City or Town, State, Country and Zip Code)	513-872-8100 (Area Code) (Telephone Number)		
Mail Address	6775 W. Washington Street (Street and Number or P.O. Box)		Milwaukee, WI, US 53214 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	6775 W. Washington Street (Street and Number)		Milwaukee, WI, US 53214 (City or Town, State, Country and Zip Code)	414-459-6833 (Area Code) (Telephone Number)		
Internet Website Address	www.anthem.com					
Statutory Statement Contact	Brenda J. Buss (Name)		414-459-6833 (Area Code) (Telephone Number)			
	brenda.buss@bcbswi.com (E-mail Address)		414-459-6229 (FAX Number)			

OFFICERS

President/Chairperson	Erin Patricia Hoeflinger	Vice President/Treasurer	Robert David Kretschmer
Vice President/Secretary	Kathleen Susan Kiefer	Assistant Secretary	Judy Lynne Pershern

OTHER

Amy Soppel Renshaw	Assistant Secretary
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DIRECTORS OR TRUSTEES

Carter Allen Beck	Wayne Scott DeVeydt	Erin Patricia Hoeflinger
Catherine Irene Kelaghan	Kathleen Susan Kiefer	

State of Ohio SS:
County of Warren

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.

Erin Patricia Hoeflinger
President/Chairperson

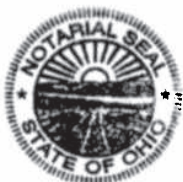
Kathleen Susan Kiefer
Vice President/Secretary

Robert David Kretschmer
Vice President/Treasurer

Subscribed and sworn to before me this
28th day of January, 2013

Kathleen J. Fahey

- 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



Kathleen J. Fahey
Notary Public, State of Ohio
My Commission Expires 04-12-2014

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

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)	1,235,457,191		1,235,457,191	1,289,535,762
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	252,995,253		252,995,253	222,455,790
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 \$ 0 encumbrances)	29,170,843		29,170,843	29,528,352
4.2 Properties held for the production of income (less \$ 0 encumbrances)			0	0
4.3 Properties held for sale (less \$ 0 encumbrances)			0	0
5. Cash (\$(304,143,237) , Schedule E - Part 1), cash equivalents (\$ 51,725,422 , Schedule E - Part 2) and short-term investments (\$ 49,090,254 , Schedule DA)	(203,327,562)		(203,327,562)	(323,463,989)
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	26,096,632	1,031,177	25,065,455	19,134,075
9. Receivables for securities	4,593,013		4,593,013	871
10. Securities lending reinvested collateral assets (Schedule DL)	114,503,911		114,503,911	159,211,492
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,459,489,281	1,031,177	1,458,458,104	1,396,402,353
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	12,015,969		12,015,969	14,801,030
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	53,117,963	1,428,581	51,689,382	47,281,879
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 101,865,438 earned but unbilled premiums)	101,865,438		101,865,438	0
15.3 Accrued retrospective premiums	1,213,134		1,213,134	2,964,565
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	193,956,087	29,122,879	164,833,208	190,055,614
18.1 Current federal and foreign income tax recoverable and interest thereon			0	1,307,700
18.2 Net deferred tax asset	64,031,602	3,155,403	60,876,199	47,956,198
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	2,279,128	941,629	1,337,499	2,556,479
21. Furniture and equipment, including health care delivery assets (\$)	4,392,205	4,392,205	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	88,361,745		88,361,745	130,923,894
24. Health care (\$ 18,432,083) and other amounts receivable	42,670,604	24,238,521	18,432,083	18,149,121
25. Aggregate write-ins for other than invested assets	32,840,393	3,225,704	29,614,689	29,945,411
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,056,233,549	67,536,099	1,988,697,450	1,882,344,244
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	2,056,233,549	67,536,099	1,988,697,450	1,882,344,244
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 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. FEP Assets held by agent	23,818,374		23,818,374	23,827,789
2502. Bluecard receivables	5,796,315		5,796,315	6,117,622
2503. Other miscellaneous accounts receivable	3,225,704	3,225,704	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	32,840,393	3,225,704	29,614,689	29,945,411

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	471,839,204	7,375,979	479,215,183	397,989,927
2. Accrued medical incentive pool and bonus amounts	2,829,024		2,829,024	4,461,591
3. Unpaid claims adjustment expenses.....	16,208,671		16,208,671	13,692,573
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act	101,130,901		101,130,901	119,902,253
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....	132,926		132,926	109,000
8. Premiums received in advance.....	40,240,888		40,240,888	50,331,936
9. General expenses due or accrued.....	45,410,949		45,410,949	55,858,762
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	1,620,213		1,620,213	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....			0	44,400
12. Amounts withheld or retained for the account of others.....	2,116,441		2,116,441	548,282
13. Remittance and items not allocated.....	8,499,635		8,499,635	14,175,136
14. Borrowed money (including \$ 150,000,000 current) and interest thereon \$ 21,875 (including \$ 21,875 current).....	150,021,875		150,021,875	100,205,833
15. Amounts due to parent, subsidiaries and affiliates.....	143,707,339		143,707,339	164,195,883
16. Derivatives.....			0	0
17. Payable for securities.....	23,153,920		23,153,920	0
18. Payable for securities lending	114,503,911		114,503,911	159,211,492
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) 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.....	76,360,740		76,360,740	82,220,577
23. Aggregate write-ins for other liabilities (including \$ 17,310,535 current).....	28,726,342	0	28,726,342	27,286,253
24. Total liabilities (Lines 1 to 23).....	1,226,502,979	7,375,979	1,233,878,958	1,190,233,898
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	1,142,307	1,142,307
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	195,393,523	195,393,523
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	558,282,662	495,574,516
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$).....	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	754,818,492	692,110,346
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	1,988,697,450	1,882,344,244
DETAILS OF WRITE-INS				
2301. Escheat liabilities	15,824,481		15,824,481	14,241,721
2302. Other accrued expenses - non trade	12,901,861		12,901,861	13,044,532
2303.				
2308. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2309. Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above).....	28,726,342	0	28,726,342	27,286,253
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 thru 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 thru 3003 plus 3098)(Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	22,536,688	20,964,701
2. Net premium income (including \$ non-health premium income)	XXX	5,214,779,738	4,513,686,008
3. Change in unearned premium reserves and reserve for rate credits	XXX	14,759,184	3,488,369
4. Fee-for-service (net of \$ medical expenses)	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	(70,659)
8. Total revenues (Lines 2 to 7)	XXX	5,229,538,922	4,517,103,718
Hospital and Medical:			
9. Hospital/medical benefits	51,284,514	3,198,002,991	2,732,071,374
10. Other professional services	3,229,810	201,404,726	165,084,910
11. Outside referrals		0	0
12. Emergency room and out-of-area	5,370,911	334,929,613	264,655,019
13. Prescription drugs	47,029	674,334,575	504,930,834
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments, and bonus amounts		4,236,049	5,291,805
16. Subtotal (Lines 9 to 15)	59,932,264	4,412,907,954	3,672,033,942
Less:			
17. Net reinsurance recoveries		0	17,612
18. Total hospital and medical (Lines 16 minus 17)	59,932,264	4,412,907,954	3,672,016,330
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 45,906,300 cost containment expenses		91,327,645	65,336,799
21. General administrative expenses		288,278,639	317,776,760
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		(4,012,168)	(5,235,000)
23. Total underwriting deductions (Lines 18 through 22).....	59,932,264	4,788,502,070	4,049,894,889
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	441,036,852	467,208,829
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		61,674,428	67,099,361
26. Net realized capital gains (losses) less capital gains tax of \$ 9,865,372		25,978,826	11,282,150
27. Net investment gains (losses) (Lines 25 plus 26)	0	87,653,254	78,381,511
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$ 8,852)]		(8,852)	(272,318)
29. Aggregate write-ins for other income or expenses	0	5,119,974	3,092,034
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	533,801,228	548,410,056
31. Federal and foreign income taxes incurred	XXX	153,667,304	181,133,534
32. Net income (loss) (Lines 30 minus 31)	XXX	380,133,924	367,276,522
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 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701. Loss on sale of fixed assets	XXX		(70,659)
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	(70,659)
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901. Miscellaneous revenue		5,119,974	3,092,034
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	5,119,974	3,092,034

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	692,110,346	723,259,307
34. Net income or (loss) from Line 32	380,133,924	367,276,522
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 8,185,794	13,689,331	(11,684,842)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	(14,162,036)	(149,199)
39. Change in nonadmitted assets	26,392,810	(10,991,442)
40. Change in unauthorized and certified 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.....	23,654,117	
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders	(367,000,000)	(375,600,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	62,708,147	(31,148,961)
49. Capital and surplus end of reporting period (Line 33 plus 48)	754,818,492	692,110,346
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	5,099,807,439	4,500,245,873
2. Net investment income	77,649,415	74,982,988
3. Miscellaneous income	0	(70,659)
4. Total (Lines 1 through 3)	5,177,456,854	4,575,158,202
5. Benefit and loss related payments	4,333,291,339	3,608,384,792
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	359,262,489	379,327,709
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 9,865,372 tax on capital gains (losses)	160,604,765	198,443,834
10. Total (Lines 5 through 9)	4,853,158,593	4,186,156,336
11. Net cash from operations (Line 4 minus Line 10)	324,298,261	389,001,866
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,467,337,490	1,071,097,198
12.2 Stocks	74,174,140	66,912,322
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	2,440,612	1,532,632
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	14,893	5,901
12.7 Miscellaneous proceeds	67,861,501	1,215,644
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,611,828,636	1,140,763,697
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,391,786,063	1,283,848,964
13.2 Stocks	80,533,147	72,817,077
13.3 Mortgage loans	0	0
13.4 Real estate	1,740,824	3,007,218
13.5 Other invested assets	6,938,799	11,555,178
13.6 Miscellaneous applications	4,592,142	18,340,136
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,485,590,975	1,389,568,573
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)	126,237,661	(248,804,876)
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	49,816,042	202,500
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	367,000,000	375,600,000
16.6 Other cash provided (applied)	(13,215,538)	129,447,711
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(330,399,496)	(245,949,789)
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)	120,136,427	(105,752,799)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(323,463,989)	(217,711,189)
19.2 End of year (Line 18 plus Line 19.1)	(203,327,562)	(323,463,989)

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

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	5,214,779,738	2,784,352,310	120,773,408	36,693,669	7,868,141	853,085,711	1,304,461,512		107,544,987	
2. Change in unearned premium reserves and reserve for rate credit	14,759,184	8,040,954	(2,909,790)	(165,710)	(109)	9,415	9,784,424			
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	0	0	0	0	0	0	0	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)	5,229,538,922	2,792,393,264	117,863,618	36,527,959	7,868,032	853,095,126	1,314,245,936	0	107,544,987	0
8. Hospital/medical benefits	3,198,002,991	1,589,484,024	79,454,233			559,735,568	878,889,306	1,428	90,438,432	XXX
9. Other professional services	201,404,726	79,983,615	7,116,421	23,767,089	5,298,300	33,164,635	52,074,666			XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	334,929,613	212,818,391	3,874,384			46,003,211	72,233,627			XXX
12. Prescription drugs	674,334,575	379,267,786	(149,455)			169,781,650	125,454,634	(20,040)		XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	4,236,049	356,053					3,879,996			XXX
15. Subtotal (Lines 8 to 14)	4,412,907,954	2,261,909,869	90,295,583	23,767,089	5,298,300	808,685,064	1,132,532,229	(18,612)	90,438,432	XXX
16. Net reinsurance recoveries	0									XXX
17. Total medical and hospital (Lines 15 minus 16)	4,412,907,954	2,261,909,869	90,295,583	23,767,089	5,298,300	808,685,064	1,132,532,229	(18,612)	90,438,432	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 45,906,300 cost containment expenses	91,327,646	73,746,323	4,985,487	428,422	326,642	9,932,250	23,354,986	562	(21,447,026)	
20. General administrative expenses	288,278,639	232,782,630	15,736,848	1,352,329	1,031,055	31,351,464	73,720,762	1,774	(67,698,223)	
21. Increase in reserves for accident and health contracts	(4,012,168)	(4,322,644)	310,476							XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	4,788,502,071	2,564,116,178	111,328,394	25,547,840	6,655,997	849,968,778	1,229,607,977	(16,276)	1,293,183	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	441,036,851	228,277,086	6,535,224	10,980,119	1,212,035	3,126,348	84,637,959	16,276	106,251,804	0
DETAILS OF WRITE-INS										XXX
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 thru 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 thru 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 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	2,784,352,310			2,784,352,310
2. Medicare Supplement	120,773,408			120,773,408
3. Dental only	36,693,669			36,693,669
4. Vision only	7,868,141			7,868,141
5. Federal Employees Health Benefits Plan	853,085,711			853,085,711
6. Title XVIII - Medicare	1,304,461,512			1,304,461,512
7. Title XIX - Medicaid	0			0
8. Other health	107,544,987			107,544,987
9. Health subtotal (Lines 1 through 8)	5,214,779,738	0	0	5,214,779,738
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	5,214,779,738	0	0	5,214,779,738

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	4,327,422,723	2,268,438,011	89,160,672	23,589,826	5,264,949	710,199,214	1,139,299,346	(18,613)	91,489,318	
1.2 Reinsurance assumed	.0									
1.3 Reinsurance ceded	.0									
1.4 Net	4,327,422,723	2,268,438,011	89,160,672	23,589,826	5,264,949	710,199,214	1,139,299,346	(18,613)	91,489,318	.0
2. Paid medical incentive pools and bonuses	5,868,617	355,927					5,512,690			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	479,215,183	230,742,963	12,744,295	1,423,380	263,471	98,485,850	129,827,360	3,750	5,724,114	.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	479,215,183	230,742,963	12,744,295	1,423,380	263,471	98,485,850	129,827,360	3,750	5,724,114	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	132,926	4,887	128,039							
4.2 Reinsurance assumed	.0									
4.3 Reinsurance ceded	.0									
4.4 Net	132,926	4,887	128,039	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year	2,829,024	126					2,828,898			
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	397,989,927	237,619,044	11,641,422	1,246,117	230,119	.0	140,474,475	3,750	6,775,000	.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	397,989,927	237,619,044	11,641,422	1,246,117	230,119	.0	140,474,475	3,750	6,775,000	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	109,000	13,000	96,000							
9.2 Reinsurance assumed	.0									
9.3 Reinsurance ceded	.0									
9.4 Net	109,000	13,000	96,000	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	4,461,591						4,461,591			
11. Amounts recoverable from reinsurers December 31, prior year	.0									
12. Incurred Benefits:										
12.1 Direct	4,408,671,905	2,261,553,817	90,295,584	23,767,089	5,298,301	808,685,064	1,128,652,231	(18,613)	90,438,432	.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	4,408,671,905	2,261,553,817	90,295,584	23,767,089	5,298,301	808,685,064	1,128,652,231	(18,613)	90,438,432	.0
13. Incurred medical incentive pools and bonuses	4,236,050	356,053	.0	.0	.0	.0	3,879,997	.0	.0	.0

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	128,467,493	58,691,940	1,988,110	166,535	30,826	18,515,340	49,074,742			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	128,467,493	58,691,940	1,988,110	166,535	30,826	18,515,340	49,074,742	0	0	0
2. Incurred but Unreported:										
2.1 Direct	350,747,690	172,051,023	10,756,185	1,256,845	232,645	79,970,510	80,752,618	3,750	5,724,114	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	350,747,690	172,051,023	10,756,185	1,256,845	232,645	79,970,510	80,752,618	3,750	5,724,114	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	479,215,183	230,742,963	12,744,295	1,423,380	263,471	98,485,850	129,827,360	3,750	5,724,114	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	479,215,183	230,742,963	12,744,295	1,423,380	263,471	98,485,850	129,827,360	3,750	5,724,114	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

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 December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	209,289,769	2,059,148,242	7,552,749	223,195,100	216,842,518	237,632,043
2. Medicare Supplement	11,280,732	77,879,940	155,723	12,716,611	11,436,455	11,737,423
3. Dental Only	1,166,665	22,423,161	10,041	1,413,339	1,176,706	1,246,117
4. Vision Only	283,478	4,981,470	163	263,308	283,641	230,120
5. Federal Employees Health Benefits Plan	(74)	710,199,288		98,485,849	(74)	0
6. Title XVIII - Medicare	122,664,992	1,016,634,354	3,796,002	126,031,358	126,460,994	140,474,474
7. Title XIX - Medicaid	(18,613)		3,750		(14,863)	3,750
8. Other health	3,954,621	87,534,697		5,724,114	3,954,621	6,775,000
9. Health subtotal (Lines 1 to 8)	348,621,570	3,978,801,152	11,518,428	467,829,679	360,139,998	398,098,927
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts		5,868,616	2,373,259	455,766	2,373,259	4,461,591
13. Totals (Lines 9 - 10 + 11 + 12)	348,621,570	3,984,669,768	13,891,687	468,285,445	362,513,257	402,560,518

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	252,689	254,727	255,013	255,118	255,119
2.	2008	2,170,886	2,430,484	2,434,456	2,433,310	2,433,204
3.	2009	XXX	2,209,401	2,399,687	2,396,666	2,396,254
4.	2010	XXX	XXX	2,098,964	2,311,085	2,311,352
5.	2011	XXX	XXX	XXX	2,182,033	2,391,574
6.	2012	XXX	XXX	XXX	XXX	2,059,504

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	258,659	257,754	254,913	254,868	255,119
2.	2008	2,420,159	2,436,005	2,435,120	2,433,311	2,433,204
3.	2009	XXX	2,447,155	2,401,220	2,397,436	2,396,612
4.	2010	XXX	XXX	2,321,085	2,312,073	2,311,699
5.	2011	XXX	XXX	XXX	2,418,156	2,398,422
6.	2012	XXX	XXX	XXX	XXX	2,282,699

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2008	3,007,974	2,433,204	82,477	3.4	2,515,681	83.6			2,515,681	83.6
2.	2009	2,912,215	2,396,254	74,400	3.1	2,470,654	84.8	358	13	2,471,025	84.9
3.	2010	2,881,132	2,311,352	53,533	2.3	2,364,885	82.1	347	12	2,365,244	82.1
4.	2011	2,977,019	2,391,574	48,500	2.0	2,440,074	82.0	6,848	240	2,447,162	82.2
5.	2012	2,792,393	2,059,504	64,013	3.1	2,123,517	76.0	223,195	7,461	2,354,173	84.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	11,905	12,133	12,121	12,119	12,120
2.	2008	66,247	76,902	77,020	77,008	77,112
3.	2009	XXX	67,538	76,532	76,514	76,524
4.	2010	XXX	XXX	67,769	78,037	78,074
5.	2011	XXX	XXX	XXX	69,113	80,243
6.	2012	XXX	XXX	XXX	XXX	77,880

Section B - Incurred Health Claims - Medicare Supplement

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	12,421	12,156	12,121	12,119	12,120
2.	2008	78,344	77,122	77,021	77,008	77,112
3.	2009	XXX	79,287	76,574	76,479	76,525
4.	2010	XXX	XXX	77,676	78,096	78,072
5.	2011	XXX	XXX	XXX	80,826	80,398
6.	2012	XXX	XXX	XXX	XXX	90,597

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2008	107,052	77,112	2,731	3.5	79,843	74.6			79,843	74.6
2.	2009	104,290	76,524	3,111	4.1	79,635	76.4	2		79,637	76.4
3.	2010	106,068	78,074	1,759	2.3	79,833	75.3	(2)		79,831	75.3
4.	2011	109,259	80,243	3,165	3.9	83,408	76.3	156	5	83,569	76.5
5.	2012	117,864	77,880	4,202	5.4	82,082	69.6	12,717	442	95,241	80.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	2,357	2,370	2,372	2,372	2,371
2.	2008	29,028	31,230	31,303	31,306	31,306
3.	2009	XXX	30,371	32,168	32,187	32,203
4.	2010	XXX	XXX	21,059	22,194	22,206
5.	2011	XXX	XXX	XXX	20,313	21,451
6.	2012	XXX	XXX	XXX	XXX	22,423

Section B - Incurred Health Claims - Dental Only

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	2,366	2,371	2,372	2,372	2,371
2.	2008	31,552	31,306	31,308	31,306	31,306
3.	2009	XXX	32,413	32,200	32,191	32,203
4.	2010	XXX	XXX	22,275	22,214	22,207
5.	2011	XXX	XXX	XXX	21,535	21,461
6.	2012	XXX	XXX	XXX	XXX	23,837

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2008	44,037	31,306	1,198	3.8	32,504	73.8			32,504	73.8
2. 2009	44,845	32,203	2,854	8.9	35,057	78.2			35,057	78.2
3. 2010	34,483	22,206	479	2.2	22,685	65.8			22,685	65.8
4. 2011	33,556	21,451	993	4.6	22,444	66.9	10		22,454	66.9
5. 2012	36,528	22,423	389	1.7	22,812	62.5	1,413	27	24,252	66.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	106	106	106	107	106
2.	2008	2,155	2,333	2,334	2,334	2,334
3.	2009	XXX	3,489	3,749	3,749	3,749
4.	2010	XXX	XXX	3,194	3,488	3,490
5.	2011	XXX	XXX	XXX	3,166	3,449
6.	2012	XXX	XXX	XXX	XXX	4,981

Section B - Incurred Health Claims - Vision Only

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	106	106	106	107	106
2.	2008	2,387	2,335	2,334	2,334	2,334
3.	2009	XXX	3,793	3,749	3,749	3,749
4.	2010	XXX	XXX	3,423	3,490	3,490
5.	2011	XXX	XXX	XXX	3,396	3,449
6.	2012	XXX	XXX	XXX	XXX	5,245

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Vision Only

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2008	5,017	2,334	83	3.6	2,417	48.2			2,417	48.2
2. 2009	6,135	3,749	182	4.9	3,931	64.1			3,931	64.1
3. 2010	5,988	3,490	67	1.9	3,557	59.4			3,557	59.4
4. 2011	5,891	3,449	165	4.8	3,614	61.3			3,614	61.3
5. 2012	7,868	4,981	286	5.7	5,267	66.9	263	9	5,539	70.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	18,721	18,566	16,638	16,678	16,678
2.	2008	1,756	2,653	2,630	2,498	2,498
3.	2009	XXX		1	1	1
4.	2010	XXX	XXX		0	
5.	2011	XXX	XXX	XXX	0	
6.	2012	XXX	XXX	XXX	XXX	710,199

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	18,762	18,583	16,638	16,678	16,678
2.	2008	1,758	2,653	2,630	2,498	2,498
3.	2009	XXX		1	1	1
4.	2010	XXX	XXX	1	0	
5.	2011	XXX	XXX	XXX	0	
6.	2012	XXX	XXX	XXX	XXX	808,685

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payment	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.	2008	3,114	2,498	152	6.1	2,650	85.1			2,650	85.1
2.	2009	394	1		0.0	1	0.3			1	0.3
3.	2010	(1,638)			0.0	0	0.0			0	0.0
4.	2011	(256)			0.0	0	0.0			0	0.0
5.	2012	853,095	710,199	6,488	0.9	716,687	84.0	98,486	3,445	818,618	96.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	115,227	116,580	116,276	116,276	116,276
2.	2008	668,226	756,389	756,881	756,814	756,920
3.	2009	XXX	701,321	771,418	770,993	771,070
4.	2010	XXX	XXX	759,972	856,224	856,974
5.	2011	XXX	XXX	XXX	935,291	1,057,022
6.	2012	XXX	XXX	XXX	XXX	1,022,147

Section B - Incurred Health Claims - Title XVIII

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	119,007	116,887	116,278	116,276	116,276
2.	2008	772,744	757,757	757,150	756,817	756,920
3.	2009	XXX	789,989	771,980	771,620	771,073
4.	2010	XXX	XXX	855,706	856,651	857,095
5.	2011	XXX	XXX	XXX	1,079,168	1,063,066
6.	2012	XXX	XXX	XXX	XXX	1,148,634

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2008	933,117	756,920	24,403	3.2	781,323	83.7			781,323	83.7
2.	2009	932,863	771,070	13,984	1.8	785,054	84.2	3		785,057	84.2
3.	2010	1,044,176	856,974	18,724	2.2	875,698	83.9	121	4	875,823	83.9
4.	2011	1,301,523	1,057,022	16,298	1.5	1,073,320	82.5	6,045	212	1,079,577	82.9
5.	2012	1,314,246	1,022,147	20,445	2.0	1,042,592	79.3	126,487	4,138	1,173,217	89.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	62,506	65,112	63,428	67,916	67,916
2.	2008	242,223	254,587	254,180	255,266	255,227
3.	2009	XXX	0	0		20
4.	2010	XXX	XXX	0		
5.	2011	XXX	XXX	XXX		
6.	2012	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Title XIX

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	80,422	65,142	63,428	67,916	67,916
2.	2008	250,461	254,733	254,180	255,266	255,227
3.	2009	XXX	0	0	0	20
4.	2010	XXX	XXX	0	0	
5.	2011	XXX	XXX	XXX	4	4
6.	2012	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2008	283,202	255,227	9,010	3.5	264,237	93.3			264,237	93.3
2. 2009	0	20		0.0	20	0.0			20	0.0
3. 2010	(132)		1	0.0	1	(0.8)			1	(0.8)
4. 2011	(50)		3	0.0	3	(6.0)	4		7	(14.0)
5. 2012				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	8,194	8,193	8,193	8,193	8,193
2.	2008	54,326	63,494	63,494	63,494	63,494
3.	2009	XXX	54,890	62,155	62,155	62,155
4.	2010	XXX	XXX	55,868	62,144	62,143
5.	2011	XXX	XXX	XXX	71,213	75,167
6.	2012	XXX	XXX	XXX	XXX	87,535

Section B - Incurred Health Claims - Other

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	8,418	8,194	8,193	8,193	8,193
2.	2008	64,095	63,494	63,494	63,494	63,494
3.	2009	XXX	62,647	62,155	62,155	62,155
4.	2010	XXX	XXX	62,586	62,146	62,143
5.	2011	XXX	XXX	XXX	77,985	75,167
6.	2012	XXX	XXX	XXX	XXX	93,259

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2008	68,554	63,494	2,126	3.3	65,620	95.7			65,620	95.7
2. 2009	68,009	62,155	1,738	2.8	63,893	93.9			63,893	93.9
3. 2010	73,287	62,143	1,055	1.7	63,198	86.2			63,198	86.2
4. 2011	90,232	75,167	965	1.3	76,132	84.4			76,132	84.4
5. 2012	107,545	87,535	344	0.4	87,879	81.7	5,724	200	93,803	87.2

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	471,705	477,787	474,147	478,779	478,779
2.	2008	3,234,847	3,618,072	3,622,298	3,622,030	3,622,095
3.	2009	XXX	3,067,010	3,345,710	3,342,265	3,341,976
4.	2010	XXX	XXX	3,006,826	3,333,172	3,334,239
5.	2011	XXX	XXX	XXX	3,281,129	3,628,906
6.	2012	XXX	XXX	XXX	XXX	3,984,669

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	500,161	481,193	474,049	478,529	478,779
2.	2008	3,621,500	3,625,405	3,623,237	3,622,034	3,622,095
3.	2009	XXX	3,415,284	3,347,879	3,343,631	3,342,338
4.	2010	XXX	XXX	3,342,752	3,334,670	3,334,706
5.	2011	XXX	XXX	XXX	3,681,070	3,641,967
6.	2012	XXX	XXX	XXX	XXX	4,452,956

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

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2008	4,452,067	3,622,095	122,180	3.4	3,744,275	84.1	0	0	3,744,275	84.1
2.	2009	4,068,751	3,341,976	96,269	2.9	3,438,245	84.5	363	13	3,438,621	84.5
3.	2010	4,143,364	3,334,239	75,618	2.3	3,409,857	82.3	466	16	3,410,339	82.3
4.	2011	4,517,174	3,628,906	70,089	1.9	3,698,995	81.9	13,063	457	3,712,515	82.2
5.	2012	5,229,539	3,984,669	96,167	2.4	4,080,836	78.0	468,285	15,722	4,564,843	87.3

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	13,159,559	9,748,154	2,928,972	469,474	12,934		25		
2. Additional policy reserves (a)	42,860,832	28,009,356	14,851,476						
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income	45,110,510		3,035,000			23,818,374	18,257,136		
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	101,130,901	37,757,510	20,815,448	469,474	12,934	23,818,374	18,257,161	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	101,130,901	37,757,510	20,815,448	469,474	12,934	23,818,374	18,257,161	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	132,926	4,887	128,039						
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	132,926	4,887	128,039	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	132,926	4,887	128,039	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 thru 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 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ 5,943,047 for occupancy of own building)	4,285,478	3,667,191	8,394,145	33,109	16,379,923
2. Salary, wages and other benefits	74,657,985	63,926,281	149,981,850	591,565	289,157,681
3. Commissions (less \$ ceded plus \$ assumed)			129,623,232	0	129,623,232
4. Legal fees and expenses	12,430	11,916	(4,507,409)	(17,778)	(4,500,841)
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	21,637,371	6,989,567	29,890,678	117,896	58,635,512
7. Traveling expenses	715,732	314,308	3,022,830	11,923	4,064,793
8. Marketing and advertising	1,243,935	36,577	23,783,560	93,808	25,157,880
9. Postage, express and telephone	2,958,380	3,801,606	11,693,871	46,123	18,499,980
10. Printing and office supplies	795,207	138,467	907,180	3,578	1,844,432
11. Occupancy, depreciation and amortization					0
12. Equipment	249,869	135,641	1,274,535	5,027	1,665,072
13. Cost or depreciation of EDP equipment and software	15,398,713	2,038,353	10,730,685	42,324	28,210,075
14. Outsourced services including EDP, claims, and other services	32,722,128	31,200,124	36,718,456	144,826	100,785,534
15. Boards, bureaus and association fees	109,196	18,212	2,114,103	8,339	2,249,850
16. Insurance, except on real estate			1,315,492	5,189	1,320,681
17. Collection and bank service charges	24	133	2,028,356	8,000	2,036,513
18. Group service and administration fees	9,481,642	26,533,518	11,694,395	46,126	47,755,681
19. Reimbursements by uninsured plans	(123,551,525)	(104,647,227)	(174,724,704)	0	(402,923,456)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses	179,939	38,152	3,002,351	11,842	3,232,284
22. Real estate taxes			705,312	2,782	708,094
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	2,183	16	80,650	318	83,167
23.2 State premium taxes			26,963,732	106,351	27,070,083
23.3 Regulatory authority licenses and fees	4,691	6,560	660,517	2,605	674,373
23.4 Payroll taxes	4,972,387	4,205,304	8,749,850	34,512	17,962,053
23.5 Other (excluding federal income and real estate taxes)	85		459,229	1,811	461,125
24. Investment expenses not included elsewhere				2,765,555	2,765,555
25. Aggregate write-ins for expenses	30,450	7,006,646	3,715,743	14,656	10,767,495
26. Total expenses incurred (Lines 1 to 25)	45,906,300	45,421,345	288,278,639	4,080,487	(a) 383,686,771
27. Less expenses unpaid December 31, current year ..	8,152,962	8,055,709	45,410,949		61,619,620
28. Add expenses unpaid December 31, prior year	12,761,364	931,209	55,858,762		69,551,335
29. Amounts receivable relating to uninsured plans, prior year			222,980,312		222,980,312
30. Amounts receivable relating to uninsured plans, current year			193,956,087		193,956,087
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	50,514,702	38,296,845	269,702,227	4,080,487	362,594,261
DETAILS OF WRITE-INS					
2501. Other expense	30,450	7,006,646	3,715,743	14,656	10,767,495
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	30,450	7,006,646	3,715,743	14,656	10,767,495

(a) Includes management fees of \$ 535,462,526 to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds	(a) 120,778	114,944
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 52,906,016	50,114,580
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	8,152,757	8,215,414
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 6,484,279	6,484,279
5	Contract Loans		
6	Cash, cash equivalents and short-term investments	(e) 177,294	152,790
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	1,031,856	1,005,913
10.	Total gross investment income	68,872,980	66,087,919
11.	Investment expenses		(g) 3,934,890
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 145,597
13.	Interest expense		(h) 333,004
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		4,413,491
17.	Net investment income (Line 10 minus Line 16)		61,674,428
DETAILS OF WRITE-INS			
0901.	Securities Lending	856,844	830,902
0902.	Miscellaneous	175,012	175,012
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	1,031,856	1,005,913
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 1,512,759 accrual of discount less \$ 12,604,353 amortization of premium and less \$ 5,024,421 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ 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 \$ 24,402 accrual of discount less \$ 23,838 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	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	86,962	0	86,962	0	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	30,996,006	(539,552)	30,456,454	2,021,024	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)	7,045,678	(1,759,786)	5,285,892	18,894,574	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans		0	0	0	0
4.	Real estate		0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	14,892		14,892		
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	959,519	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	38,143,538	(2,299,338)	35,844,200	21,875,117	0
DETAILS OF WRITE-INS						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)		0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks		0	0
2.2 Common stocks		0	0
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		0	0
4.2 Properties held for the production of income.....		0	0
4.3 Properties held for sale		0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)		0	0
6. Contract loans		0	0
7. Derivatives (Schedule DB)		0	0
8. Other invested assets (Schedule BA)	1,031,177	1,504,851	473,674
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
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,031,177	1,504,851	473,674
13. Title plants (for Title insurers only)		0	0
14. Investment income due and accrued		0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,428,581	1,113,240	(315,341)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due		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	29,122,879	32,924,698	3,801,819
18.1 Current federal and foreign income tax recoverable and interest thereon		0	0
18.2 Net deferred tax asset	3,155,403	38,423,232	35,267,829
19. Guaranty funds receivable or on deposit		0	0
20. Electronic data processing equipment and software	941,629	4,456,140	3,514,511
21. Furniture and equipment, including health care delivery assets	4,392,205	5,444,662	1,052,457
22. Net adjustment in assets and liabilities due to foreign exchange rates		0	0
23. Receivable from parent, subsidiaries and affiliates		0	0
24. Health care and other amounts receivable	24,238,521	31,182,255	6,943,734
25. Aggregate write-ins for other than invested assets	3,225,704	2,533,950	(691,754)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	67,536,099	117,583,028	50,046,929
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
28. Total (Lines 26 and 27)	67,536,099	117,583,028	50,046,929
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 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Other Misc Receivables	3,225,704	1,889,086	(1,336,618)
2502. Prepaid Expenses	0	644,864	644,864
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,225,704	2,533,950	(691,754)

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	96,134	96,479	96,339	95,729	95,566	1,153,344
2. Provider Service Organizations						
3. Preferred Provider Organizations	1,344,329	1,492,816	1,494,679	1,493,479	1,494,460	17,916,221
4. Point of Service	0					
5. Indemnity Only	59,690	60,811	61,304	60,591	60,026	729,035
6. Aggregate write-ins for other lines of business.....	243,045	232,398	227,377	225,169	225,517	2,738,088
7. Total	1,743,198	1,882,504	1,879,699	1,874,968	1,875,569	22,536,688
DETAILS OF WRITE-INS						
0601. Consumer Driven Health Plan	243,045	232,398	227,377	225,169	225,517	2,738,088
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	243,045	232,398	227,377	225,169	225,517	2,738,088

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Community Insurance Company (the “Company”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) *Annual Statement Instructions* and in accordance with accounting practices prescribed by NAIC *Accounting Practices and Procedures Manual* (“NAIC SAP”), subject to any deviations prescribed or permitted by the Ohio Insurance Department (the “Department”).

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the Department is shown below:

	State of Domicile	2012	2011
<u>Net Income</u>			
(1) Community Insurance Company state basis (Page 4, Line 32, Columns 2 & 3)	Ohio	\$ 380,133,924	\$ 367,276,522
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		-	-
(4) NAIC SAP (1-2-3=4)	Ohio	<u>\$ 380,133,924</u>	<u>\$ 367,276,522</u>
<u>Surplus</u>			
(5) Community Insurance Company state basis (Page 3, Line 33, Columns 3 & 4)	Ohio	\$ 754,818,492	\$ 692,110,346
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		-	-
(8) NAIC SAP (5-6-7=8)	Ohio	<u>\$ 754,818,492</u>	<u>\$ 692,110,346</u>

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

Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

C. Accounting Policies

Health premiums are earned over the term of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written, and are computed by pro rata methods for direct business and based on reports received from ceding companies for assumed business. Premiums paid by subscribers prior to the effective date are recorded on the balance sheet as premiums received in advance and are subsequently credited to income as earned during the coverage period. Premium rates for certain lines of business are subject to approval by the Department. Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred. All other costs, such as premium taxes and other underwriting expenses, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

1. Short-term investments include investments with maturities of less than one year at the date of acquisition and are reported at amortized cost, which approximates fair

NOTES TO FINANCIAL STATEMENTS

- value. Non-investment grade short-term investments are stated at the lower of amortized cost or fair value.
2. Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the modified scientific method, using lower of yield to call or yield to maturity. Non-investment grade bonds are stated at the lower of the amortized cost or fair value, as determined by various third-party pricing sources.
 3. Common stocks of unaffiliated companies are stated at fair, as determined by various third-party pricing sources.
 4. Investment grade redeemable preferred stocks are stated at amortized value. Investment grade perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value.
 5. Mortgage loans on real estate – Not applicable.
 6. Loan-backed securities are stated at amortized cost. Pre-payment assumptions for loan-backed securities and structured securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with current interest rates and the economic environment. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.
 7. The Company owns 100% of the common stock of its non-insurance subsidiary, Radiant Company, LLC, (“Radiant”) which has ongoing operations other than for the Company and its affiliates. This investment is reported at its GAAP equity and non-admitted as the Company does not intend to have a GAAP audit performed for 2012. The Company reports the net change in the equity of its affiliated investments as a change in net unrealized capital gains and losses.
 8. The Company has ownership interests in unaffiliated joint ventures and a limited liability company. The Company reports these interests as Other Long-Term Invested Assets on Schedule BA. The Company carries these investments based on the Company’s interest in the underlying audited GAAP equity at December 31, 2012. The Company reports the net change in the equity as a change in net unrealized capital gains and losses.
 9. The Company has no derivative instruments.
 10. The Company does not anticipate investment income as a factor in premium deficiency calculations.
 11. Unpaid claims and claims adjustment expenses include management’s best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and changes in estimates are incorporated into current period estimates.
 12. The Company has not modified its capitalization policy from the prior period.
 13. Pharmacy rebate receivables are recorded when earned based upon actual rebate receivables billed and an estimate of receivables based upon current utilization of specific pharmaceuticals and provider contract terms.
 14. Service fees earned from providing administrative services to self-insured customers are deducted from operating expenses, and related claim payments and subsequent reimbursements of those claim payments are excluded from net income.
 15. The Company records a liability for future policy benefits relating to certain individual product contracts. The liability represents the present value of future benefits to be paid to or on behalf of policyholders and related expenses less the present value of future net premiums. Changes in the liability for future benefits are reported as a component of net income in the period in which the change occurs.

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

Effective January 1, 2012, the Company adopted Statement of Statutory Accounting Principle (“SSAP”) No. 101, *Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10* (“SSAP 101”). The revised standard contains changes to accounting for current and deferred federal and foreign income taxes. One of the changes impacting the Company is that the increased reversal period assumptions and surplus limitations are no longer elective. If the Company qualifies for the increased benefits due to sufficient risk-based capital levels then they are mandatory. The Company had not previously elected the increased benefits available under SSAP No. 10R and does qualify for the increased benefits.

The most significant impact for the Company is the use of increased reversal period assumptions. The cumulative impact on surplus of the adoption of this pronouncement is \$23,654,117. The impact is reported in the 2012 statements as an increase to surplus on page 5, line 43.

There were no corrections of errors during the years ended December 31, 2012 and 2011.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Assumption Reinsurance

Not applicable.

D. Impairment Loss

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company has no investments in mortgage loans at December 31, 2012 or 2011.

B. Debt Restructuring

The Company did not have invested assets that were restructured debt at December 31, 2012 or 2011.

C. Reverse Mortgages

The Company did not have investments in reverse mortgages at December 31, 2012 or 2011.

D. Loan-Backed Securities

1. Prepayment assumptions for single-class and multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal

NOTES TO FINANCIAL STATEMENTS

- estimates. The Company used various third-party pricing sources in determining the market value of its loan-backed securities.
- 2. The Company did not recognize other-than-temporary impairments on its loan backed securities during the year ended December 31, 2012.
 - 3. The Company did not hold other-than-temporarily impaired loan backed securities at December 31, 2012.
 - 4. The Company had no impaired securities for which an other-than-temporary impairment had not been recognized in earnings as a realized loss at December 31, 2012.
 - 5. The Company had no impaired loaned-backed securities at December 31, 2012.

E. Repurchase Agreements and/or Securities Lending Transactions

- 1. The Company did not enter into repurchase agreements at December 31, 2012 or 2011.
- 2. The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers based on, among other things, their creditworthiness in exchange for collateral initially equal to at least 102% of the market value of the loaned securities. The Company receives the collateral in cash, and the collateral is thereafter invested according to guidelines of the Company's Investment Policy.
- 3. Collateral Received
 - a. Aggregate Amount Cash Collateral Received

- 1. Repurchase Agreement - Not applicable.

		<u>Fair</u> <u>Value</u>
2.	Securities Lending	
	(a) Open	\$ 114,503,911
	(b) 30 Days or Less	-
	(c) 31 to 60 Days	-
	(d) 61 to 90 Days	-
	(e) Greater Than 90 Days	-
	(f) Sub-Total	<u>\$ 114,503,911</u>
	(g) Securities Received	-
	(h) Total Collateral Received	<u><u>\$ 114,503,911</u></u>

- 3. Dollar Repurchase Agreement - Not applicable.

- b. The aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral (reinvested collateral)
- | | |
|--|------------------------------|
| | <u><u>\$ 114,094,600</u></u> |
|--|------------------------------|

- c. The reporting entity receives primarily cash collateral in an amount in excess of fair value of the securities lent.

- 4. Not applicable.

NOTES TO FINANCIAL STATEMENTS

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

1. Repurchase Agreement - Not applicable.

	<u>Amortized</u> <u>Cost</u>	<u>Fair</u> <u>Value</u>
2. Securities Lending		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	59,698,966	59,737,241
(c) 31 to 60 Days	7,999,947	8,003,168
(d) 61 to 90 Days	3,100,101	3,102,208
(e) 91 to 120 Days	3,001,849	3,002,895
(f) 121 to 180 Days	1,098,807	1,098,426
(g) 181 to 365 Days	7,500,404	7,519,832
(h) 1 to 2 Years	14,512,831	14,533,824
(i) 2 to 3 Years	10,099,950	10,118,330
(j) Greater Than 3 Years	7,491,056	6,978,676
(k) Sub-Total	\$ 114,503,911	\$ 114,094,600
(l) Securities Received	-	-
(m) Total Collateral Reinvested	<u>\$ 114,503,911</u>	<u>\$ 114,094,600</u>

3. Dollar Repurchase Agreement - Not applicable.

b. Not applicable.

F. Real Estate

1. The Company did not recognize any impairment losses on its investment real estate at December 31, 2012 or 2011.
2. The Company did not engage in retail land sales operations during 2012 or 2011.
3. Not applicable.
4. Not applicable.
5. Not applicable.

G. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during 2012 or 2011.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets at December 31, 2012 or 2011.
- B. The Company did not recognize any impairment write down for its investments in joint ventures, partnerships or limited liability companies during 2012 or 2011.

7. Investment Income

- A. All investment income due and accrued with amounts that are over 90 days past due is non-admitted.
- B. At December 31, 2012 and 2011 there was no non-admitted accrued investment income.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

During the fourth quarter of 2012, the Company settled disputes with the IRS relating to certain tax years and involving industry issues which had been discussed with the IRS for several years. The issues settled included amounts related to not-for-profit conversion and corporate reorganizations in prior years. As a result of this settlement, the Company recognized \$12,494,185 as a reduction of federal income tax expense and related interest.

A. The components of net deferred tax asset (liability):

1. The components of net deferred tax asset (liability) at December 31 are as follows:

12/31/2012			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	
(a) Gross Deferred Tax Assets	\$ 76,174,351	\$ 389,104	\$ 76,563,455
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	76,174,351	389,104	76,563,455
(d) Deferred Tax Assets Nonadmitted	3,155,403	-	3,155,403
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	73,018,948	389,104	73,408,052
(f) Deferred Tax Liabilities	92,519	12,439,334	12,531,853
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 72,926,429	\$ (12,050,230)	\$ 60,876,199

12/31/2011			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
(a) Gross Deferred Tax Assets	\$ 88,579,695	\$ 860,478	\$ 89,440,173
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	88,579,695	860,478	89,440,173
(d) Deferred Tax Assets Nonadmitted	38,423,232	-	38,423,232
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	50,156,463	860,478	51,016,941
(f) Deferred Tax Liabilities	285,262	2,775,481	3,060,743
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 49,871,201	\$ (1,915,003)	\$ 47,956,198

Change			
(7)	(8)	(9)	
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
(a) Gross Deferred Tax Assets	\$ (12,405,344)	\$ (471,374)	\$ (12,876,718)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	(12,405,344)	(471,374)	(12,876,718)
(d) Deferred Tax Assets Nonadmitted	(35,267,829)	-	(35,267,829)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	22,862,485	(471,374)	22,391,111
(f) Deferred Tax Liabilities	(192,743)	9,663,853	9,471,110
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 23,055,228	\$ (10,135,227)	\$ 12,920,001

NOTES TO FINANCIAL STATEMENTS

2. The amount of admitted adjusted gross deferred tax assets under each component of SSAP 101 as of December 31 is as follows:

12/31/2012			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	

Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 56,224,678	\$ 389,103	\$ 56,613,781
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	4,262,418	-	4,262,418
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	4,262,418	-	4,262,418
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	103,890,719
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	12,531,853	-	12,531,853
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 73,018,949	\$ 389,103	\$ 73,408,052

12/31/2011			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 47,095,721	\$ 860,477	\$ 47,956,198
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	-	-	-
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	96,903,878
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	3,060,743	-	3,060,743
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 50,156,464	\$ 860,477	\$ 51,016,941

				Change		
				(7)	(8)	(9)
				(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
Admission Calculation Components SSAP No. 101						
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.				\$ 9,128,957	\$ (471,374)	\$ 8,657,583
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)				4,262,418	-	4,262,418
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.				4,262,418	-	4,262,418
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.				XXX	XXX	6,986,841
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.				9,471,110	-	9,471,110
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))				\$ 22,862,485	\$ (471,374)	\$ 22,391,111

3.	2012	2011
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	432%	415%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 754,818,492	\$ 692,110,346

NOTES TO FINANCIAL STATEMENTS

4. There is no impact of tax planning strategies.

B. The Company has no unrecognized deferred tax liabilities at December 31, 2012 and 2011.

C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	12/31/2012	12/31/2011	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 153,667,304	\$ 181,133,534	\$ (27,466,230)
(b) Foreign	-	-	-
(c) Subtotal	153,667,304	181,133,534	(27,466,230)
(d) Federal income tax expense net capital gains	9,865,372	6,072,573	3,792,799
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 163,532,676	\$ 187,206,107	\$ (23,673,431)

NOTES TO FINANCIAL STATEMENTS

(1)	(2)	(3)
12/31/2012	12/31/2011	(Col 1-2) Change

2. Deferred Tax Assets:

(a) Ordinary

(1) Discounting of unpaid losses	\$ 2,723,703	\$ 2,776,326	\$ (52,623)
(2) Unearned premium reserve	2,754,986	3,625,766	(870,780)
(3) Policyholder reserves	15,590,441	15,554,700	35,741
(4) Investments	-	-	-
(5) Deferred acquisition costs	6,268,744	6,215,554	53,190
(6) Policyholder dividends accrual			-
(7) Fixed assets	3,596,928	3,396,266	200,662
(8) Compensation and benefits accrual	249,764	-	249,764
(9) Pension accrual			-
(10) Receivables - nonadmitted	21,509,431	25,196,973	(3,687,542)
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary assets)	1,071,555	774,699	296,856
(14) Accrued future expenses	4,238,315	12,251,062	(8,012,747)
(15) State tax liability	9,422,937	10,948,911	(1,525,974)
(16) Amortization	8,747,547	7,839,438	908,109
(99) Subtotal	76,174,351	88,579,695	(12,405,344)

(b) Statutory valuation allowance adjustment

(c) Nonadmitted	3,155,403	38,423,232	(35,267,829)
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(d) Admitted ordinary deferred assets (2a99 - 2b - 2c)	73,018,948	50,156,463	22,862,485
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(e) Capital:

(1) Investments	-	-	-
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(5) Investment partnership	28,192	333,780	(305,588)
(6) Other invested assets	360,912	526,698	(165,786)
(99) Subtotal	389,104	860,478	(471,374)

(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-

(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	389,104	860,478	(471,374)
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(i) Admitted deferred tax assets (2d + 2h)	\$ 73,408,052	\$ 51,016,941	\$ 22,391,111
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NOTES TO FINANCIAL STATEMENTS

(1)	(2)	(3)
12/31/2012	12/31/2011	(Col 1-2) Change

3. Deferred Tax Liabilities:

(a) Ordinary

(1) Investments	\$ -	\$ -	\$ -
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	92,519	285,262	(192,743)
(99) Subtotal	92,519	285,262	(192,743)

(b) Capital:

(1) Investments	12,439,334	2,775,481	9,663,853
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	12,439,334	2,775,481	9,663,853

(c) Deferred tax liabilities
(3a99 + 3b99)

\$ 12,531,853	\$ 3,060,743	\$ 9,471,110
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4. Net deferred tax assets/liabilities
(2i - 3C)

\$ 60,876,199	\$ 47,956,198	\$ 12,920,001
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D. The Company's income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory income tax rate of 35% for the year ended December 31 as follows:

	2012	2011
Tax expense computed using federal statutory rate	\$ 190,283,310	\$ 194,068,920
Change in nonadmitted assets	5,172,685	(1,932,752)
Tax exempt income and dividend received deduction net of proration	(5,809,655)	(5,400,506)
Prior year true-ups and adjustments	(591,908)	512,480
Other	(11,359,720)	107,164
Total	\$ 177,694,712	\$ 187,355,306
Federal income tax incurred	\$ 163,532,676	\$ 187,206,107
Change in net deferred income taxes	14,162,036	149,199
Total statutory income taxes	\$ 177,694,712	\$ 187,355,306

NOTES TO FINANCIAL STATEMENTS

E. Operating loss carryforwards:

- 1. The Company had no operating loss carryforwards and no tax credit carryforwards as of December 31, 2012.
- 2. The following are income taxes incurred in the current and prior year(s) that will be available for recoupment in the event of future net losses:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
2012	\$ 161,140,814	\$ 9,865,372	\$ 171,006,186
2011	183,808,853	6,073,472	189,882,325
2010	NA	766,509	766,509

- 3. The Company has no protective tax deposits reported as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2012 and 2011.

- F. The following companies will be included in the consolidated federal income tax return with their parent WellPoint, Inc. as of December 31, 2012 and either are current members of the consolidated tax sharing agreement or are in the process of being added to the consolidated tax sharing agreement. Allocation of federal income taxes with affiliates subject to the tax sharing agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

NOTES TO FINANCIAL STATEMENTS

1-800 CONTACTS PARENT CORP.	CL I, Inc.
1-800 CONTACTS PARENT HOLDINGS CORP.	CL II, Inc.
1-800 CONTACTS, INC.	CL III, Inc.
American Imaging Management, Inc.	Claim Management Services, Inc.
AMERIGROUP Arizona, Inc.	Community Insurance Company
AMERIGROUP California, Inc.	CommunityConnect Health Plan of Pennsylvania, Inc.
AMERIGROUP Colorado, Inc.	Compcare Health Services Insurance Corporation
AMERIGROUP Community Care of Arizona, Inc.	Crossroads Acquisition Corp
AMERIGROUP Community Care of Mississippi, Inc.	DeCare Analytics, LLC
AMERIGROUP Community Care of New Mexico, Inc.	DeCare Dental Health International, LLC
AMERIGROUP Connecticut, Inc.	DeCare Dental Networks, LLC
AMERIGROUP Corporation	DeCare Dental, LLC
AMERIGROUP Delaware, Inc.	Designated Agent Company, Inc.
AMERIGROUP Florida, Inc.	EHC Benefits Agency, Inc.
AMERIGROUP Hawaii, Inc.	Empire HealthChoice Assurance, Inc.
AMERIGROUP Health Solutions, Inc.	Empire HealthChoice HMO, Inc.
AMERIGROUP Indiana, Inc.	EVISION, INC.
Amerigroup Insurance Company	Forty-Four Forty-Four Forest Park Redevelopment Corp
Amerigroup Kansas, Inc.	Golden West Health Plan, Inc.
AMERIGROUP Louisiana, Inc.	Government Health Services, LLC
AMERIGROUP Maine, Inc.	Health Core, Inc.
AMERIGROUP Maryland, Inc.	Health Management Corporation
AMERIGROUP Massachusetts, Inc.	HealthKeepers, Inc.
AMERIGROUP Michigan, Inc.	HealthLink HMO, Inc.
AMERIGROUP Nevada, Inc.	HealthLink, Inc.
AMERIGROUP New Jersey, Inc.	Healthy Alliance Life Insurance Company
AMERIGROUP New York, LLC	HMO Colorado, Inc.
AMERIGROUP Ohio, Inc.	HMO Missouri, Inc.
AMERIGROUP Pennsylvania, Inc.	Imaging Management Holdings, LLC
AMERIGROUP Puerto Rico, Inc.	Imaging Providers of Texas
Amerigroup Services, Inc.	LENS 1ST HOLDING COMPANY
AMERIGROUP Tennessee, Inc.	Matthew Thornton Health Plan, Inc.
AMERIGROUP Texas, Inc.	National Capital Preferred Provider Organization, Inc.
AMERIGROUP Washington, Inc.	National Government Services, Inc.
AMERIGROUP Wisconsin, Inc.	OneNation Insurance Company
AMERIVANTAGE, Inc.	Park Square Holdings, Inc.
AMGP Georgia Managed Care Company, Inc.	Park Square I, Inc.
AMGP Georgia, Inc.	Park Square II, Inc.
Anthem Blue Cross Life and Health Insurance Company	PHP Holdings, Inc.
Anthem Credentialing Services, Inc.	R&P Realty, Inc.
Anthem Financial, Inc.	Rayant Insurance Company of New York
Anthem Health Insurance Company of Nevada	Resolution Health, Inc.
Anthem Health Plans of Kentucky, Inc.	RightCHOICE Insurance Company
Anthem Health Plans of Maine, Inc.	RightCHOICE Managed Care, Inc.
Anthem Health Plans of New Hampshire, Inc.	Rocky Mountain Hospital and Medical Service, Inc.
Anthem Health Plans of Virginia, Inc.	SellCore, Inc.
Anthem Health Plans, Inc.	Southeast Services, Inc.
Anthem Holding Corp.	State Sponsored Business UM Services, Inc.
Anthem Insurance Companies, Inc.	The WellPoint Companies of California, Inc.
Anthem Life & Disability Insurance Company	The WellPoint Companies, Inc.
Anthem Southeast, Inc.	TrustSolutions, LLC
Anthem UM Services, Inc.	UNICARE Health Insurance Company of the Midwest
Arcus Enterprises, Inc.	UNICARE Health Plan of Kansas, Inc.
Arcus Financial Services, Inc.	UNICARE Health Plan of West Virginia, Inc.
ARCUS HealthyLiving Services, Inc.	UNICARE Health Plans of Texas, Inc.
Associated Group, Inc.	UNICARE Health Plans of the Midwest, Inc.
Behavioral Health Network, Inc.	UNICARE Life & Health Insurance Company
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	UNICARE Illinois Services, Inc.
Blue Cross and Blue Shield of Georgia, Inc.	UNICARE National Services, Inc.
Blue Cross Blue Shield of Wisconsin	UNICARE Specialty Services, Inc.
Blue Cross of California	United Government Services, LLC
Blue Cross of California Partnership Plan, Inc.	UtiliMed IPA, Inc.
CareMore Health Group, Inc.	WellPoint Behavioral Health, Inc.
CareMore Health Plan	WellPoint California Services, Inc.
CareMore Health Plan of Arizona, Inc.	WellPoint Dental Services, Inc.
CareMore Health Plan of Colorado, Inc.	WellPoint Holding Corporation
CareMore Health Plan of Nevada	WellPoint Information Technology Services, Inc.
CareMore Health Plan of Texas, Inc.	WellPoint Insurance Services, Inc.
CareMore Holdings, Inc.	WellPoint Merger Sub, Inc.
CareMore Medical Enterprises	WellPoint, Inc.
Cerulean Companies, Inc.	

NOTES TO FINANCIAL STATEMENTS

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

A. Nature of the relationship

The Company is an Ohio domiciled stock insurance company and is a wholly-owned subsidiary of ATH Holding Company, LLC (“ATH Holding”), which is a wholly-owned subsidiary of WellPoint, Inc. (“WellPoint”), a publicly traded company.

B. Significant transactions for each Period

The following transactions took place between the Company and its affiliates:

The Board of Directors of the Company declared an ordinary dividend in the amount of \$192,000,000 on December 11, 2012. The Company paid this dividend to its parent company, ATH Holding, on December 24, 2012.

The Board of Directors of the Company declared an extraordinary dividend in the amount of \$175,000,000 on May 21, 2012. The Department approved this dividend on June 8, 2012. The Company paid this dividend to its parent company, ATH Holding, on June 18, 2012.

The Board of Directors of the Company declared an ordinary dividend in the amount of \$375,600,000 on December 8, 2011. The Company paid this dividend to its parent company, ATH Holding, on December 21, 2011.

On September 21, 2011 the Company made a capital contribution in the amount of \$3,000,000 to Radiant Services, LLC, its wholly owned subsidiary formed December 21, 2010.

C. Intercompany Management and Service Arrangements

There were no changes to intercompany management and service arrangements, and there were no additional arrangements entered into during 2012 or 2011. The amounts of transactions under such agreements are included in Schedule Y, Part 2.

D. Amounts Due to or from Related Parties

At December 31, 2012 and 2011, the Company reported \$88,361,745 and \$130,923,894 due from affiliates and \$143,707,339 and \$164,195,883 due to affiliates, respectively. The receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreement.

E. Guarantees or Contingencies for Related Parties

The Company did not enter into guarantees or undertakings for the benefit of an affiliate which would result in a material contingent exposure of the Company’s or any affiliated insurer’s assets or liabilities.

NOTES TO FINANCIAL STATEMENTS

F. Management and Service Agreements and Cost Sharing Arrangements

The Company has entered into administrative services agreements with its affiliated companies. Pursuant to these agreements, various administrative, management and support services are provided to or provided by the Company. The costs and expenses related to these administrative management and support services are allocated to or allocated by the Company in an amount equal to the direct and indirect costs and expenses incurred in providing these services. Direct costs include expenses such as salaries, employee benefits, communications, advertising, consulting services, maintenance, rent, utilities, and supplies which are directly attributable to the Company's operations. Allocated costs include expenses such as salaries, benefit claims and enrollment processing, billing, accounting, underwriting, product development and budgeting, which support the Company's operations. These costs are allocated based on various utilization statistics.

G. Nature of Control Relationships that Could Affect Operations or Financial Position

ATH Holding owns all outstanding shares of the Company. The Company's ultimate parent is WellPoint, Inc.

H. Amount Deducted for Investment in Upstream Company

The Company and its subsidiaries do not own shares of upstream intermediate entities or WellPoint.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

The Company does not have investments in affiliates greater than 10% of admitted assets.

J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated Companies

Not applicable.

K. Investment in a Foreign Insurance Subsidiary

The Company does not have investments in foreign insurance subsidiaries.

L. Investment in Downstream Non-insurance Holding Companies

The Company does not have investments in downstream non-insurance holding companies.

11. Debt

A. Capital Notes

The Company had no capital notes outstanding at December 31, 2012 and 2011.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank of Cincinnati ("FHLBC"). Through its membership, the Company has issued debt to the FHLBC in exchange for cash advances in the amount of \$150,000,000. It is part of the Company's strategy to utilize these funds for operations, and any funds obtained from the FHLBC for use in general operations would be accounted for consistent with SSAP No. 15, *Debt and Holding Company Obligations* as borrowed money. The table below indicates the amount of FHLBC stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLBC.

NOTES TO FINANCIAL STATEMENTS

	<u>Current Year</u>	<u>Prior Year</u>
2. FHLB stock purchased/owned as part of the agreement	<u>\$ 6,379,200</u>	<u>\$ 6,379,200</u>
3. Collateral pledged to the FHLB	<u>166,345,423</u>	<u>118,224,544</u>
4. Borrowing capacity currently available	<u>27,784,182</u>	<u>69,350,325</u>
5. Agreement assets and liabilities		
General Account:		
a. Assets	<u>-</u>	<u>-</u>
b. Liabilities	<u>-</u>	<u>-</u>
Separate Account:		
c. Assets	<u>-</u>	<u>-</u>
d. Liabilities	<u>-</u>	<u>-</u>

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

A. Defined Benefit Plan

Not applicable – See Note 12D.

B. Defined Contribution Plan

Not applicable – See Note 12D.

(2) Multiemployer Plan

The Company does not participate in a multiemployer plan.

D. Consolidated/Holding Company Plans

The Company participates in the WellPoint Cash Balance Pension Plan (the “Plan”), a frozen non-contributory defined benefit pension plan sponsored by ATH Holding covering most employees of WellPoint and its subsidiaries. ATH Holding allocates a share of the total accumulated costs of the Plan to the Company based on the number of allocated employees. During 2012 and 2011, these costs totaled \$87,624 and \$2,056,457, respectively. The Company has no legal obligation for benefits under this plan.

The Company participates in a postretirement medical benefit plan, sponsored by ATH Holding, providing certain health, life, vision and dental benefits to eligible retirees. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. During 2012 and 2011, these costs totaled \$1,420,235 and \$2,126,605, respectively. The Company has no legal obligation for benefits under this plan.

The Company participates in a deferred compensation plan sponsored by WellPoint which covers certain employees. The deferred amounts are payable according to the terms and subject to the conditions of said deferred compensation agreements. WellPoint allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees subject to the deferred compensation agreements. During 2012 and 2011, these costs totaled \$222,710 and \$225,213. The Company has no legal obligation for benefits under this plan.

The Company participates in the WellPoint 401(k) Retirement Savings Plan, sponsored by ATH Holding and covering substantially all employees. Voluntary employee contributions are matched by ATH Holding subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. During 2012 and 2011, these costs totaled \$6,564,482 and \$6,025,381, respectively. The Company has no legal obligation for benefits under these plans.

NOTES TO FINANCIAL STATEMENTS

E. Post Employment Benefits and Compensated Absences

Liabilities for earned not yet taken vacation and severance benefits have been accrued as of December 31, 2012 and 2011.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not applicable.

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

(1) Outstanding Shares

As of December 31, 2012, the Company has 750 shares of \$10,000 par value common stock authorized. The number of shares issued and outstanding is 114.23.

(2) Preferred Stock

The Company has no preferred stock outstanding.

(3) Dividend Restrictions

The maximum amount of dividends which can be paid by State of Ohio insurance companies to shareholders without prior approval of the Insurance Commissioner is subject to restrictions relating to statutory surplus and net income. Within any 12 month period, cumulative dividends may not exceed the greater of 10% of statutory surplus at the prior December 31, or net income for the 12 month period ending at the prior December 31. Also, any dividend paid from other than earned surplus shall be considered an extraordinary dividend.

(4) Dividends Paid

See Footnote 10B.

(5) Maximum Ordinary Dividend During 2013

Within the limitations of (3) above, the Company may pay \$380,133,924 in dividends during 2013 without prior approval.

(6) Unassigned Surplus Restrictions

Unassigned surplus funds are not restricted at December 31, 2012.

(7) Mutual Surplus Advances

Not applicable.

(8) Company Stock Held for Special Purpose

There are no shares of stock held for special purposes at December 31, 2012.

(9) Changes in Special Surplus Funds

There are no special surplus funds at December 31, 2012.

(10) Changes in Unassigned Funds

The portion of unassigned funds represented by cumulative unrealized gains was \$80,902,849 at December 31, 2012.

NOTES TO FINANCIAL STATEMENTS

(11) Surplus Notes

The Company has not issued any surplus notes or debentures or similar obligations.

(12) Restatement due to Prior Quasi-reorganizations

The Company had no restatements due to prior quasi-reorganizations.

(13) Quasi-reorganizations over Prior 10 Years

The Company has not been involved in quasi-reorganizations during the past 10 years.

14. Contingencies

A. Contingent Commitments

(1) The Company has a commitment to contribute an additional \$25,845,765 related to the Company's investment in joint ventures.

(2) Not applicable.

(3) Not applicable.

B. Assessments

(1) The company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of the assessment or at the time the losses are incurred. The Company maintained a liability of \$795,525 for guaranty fund assessments for each of the years ended December 31, 2012 and 2011. This represented management's best estimate based on information received from the states in which the Company wrote business. Actual assessments could differ from management's estimates depending on the ultimate cost of insurer insolvencies.

The Company is assessed amounts by the Ohio Health Reinsurance Program ("OHRP") to provide health insurance to Ohio residents who have lost their employer-sponsored group health insurance and/or who are unable to find adequate health insurance coverage in the private market due to their medical conditions. At December 31, 2012 the Company does not have an accrual for OHRP assessments.

(2) Not applicable.

C. Gain Contingencies

The Company has no gain contingencies at December 31, 2012.

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

Not applicable.

E. All Other Contingencies

The National Organization of Life & Health Insurance Guaranty Associations, or NOLHGA, is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. We are aware that the Pennsylvania Insurance Commissioner, or Insurance Commissioner, has placed Penn Treaty Network America Insurance Company

NOTES TO FINANCIAL STATEMENTS

and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. The state court denied the Insurance Commissioner's petition for the liquidation of Penn Treaty and ordered the Commissioner to file an updated plan of rehabilitation. The Insurance Commissioner has filed a Notice of Appeal asking the Pennsylvania Supreme Court to reverse the order denying the liquidation petition. In the event rehabilitation of Penn Treaty is unsuccessful and Penn Treaty is declared insolvent and placed in liquidation, we and other insurers may be required to pay a portion of their policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments and the availability and amount of any potential premium tax and other offsets, we currently cannot estimate our net exposure, if any, to this potential insolvency. We will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to our cash flows and results of operations.

The Company is currently a defendant in a putative class action called American Dental Association ("ADA") v. WellPoint Health Networks, Inc. (now WellPoint, Inc.) relating to out-of-network ("OON") reimbursement of dental claims. The lawsuit was filed in March 2002 by the ADA and three dentists who are suing on behalf of themselves and are seeking to sue on behalf of a nationwide class of all non-participating dental providers who were paid less than their actual charges for dental services provided to WellPoint dental members. The complaint alleges that WellPoint Health Networks Inc. and WellPoint affiliates and subsidiaries (collectively, WellPoint) improperly set usual, customary and reasonable ("UCR") rate payments for OON dental services based on HIAA/Ingenix data. The plaintiffs claim, among other things, that the HIAA/Ingenix databases fail to account for differences in geography, provider specialty, outlier (high) charges, and complexity of procedures. The complaint further alleges that WellPoint was aware that this data was inappropriate to set UCR rates. The dentists sue as assignees of their patients' rights to benefits under WellPoint's dental plans and assert that WellPoint breached its contractual obligations in violation of ERISA by routinely paying OON dentists less than their actual charges and representing that its OON payments were properly determined usual, customary and reasonable rates. The suit is currently pending in the United States District Court for the Southern District of Florida. A motion for summary judgment has been filed and is pending. The District Court granted the Company's motion for summary judgment and dismissed the case. The plaintiffs filed a notice of appeal with the United States Court of Appeals for the Eleventh Circuit. On October 23, 2012, the Court affirmed the entry of summary judgment in the Company's favor. This matter is now closed.

The Company is currently a defendant in eleven putative class actions relating to OON reimbursement that were consolidated into a single multi-district lawsuit called *In re WellPoint, Inc. Out-of-Network "UCR" Rates Litigation* that is pending in the United States District Court for the Central District of California. The lawsuits were filed in 2009. The plaintiffs include current and former members on behalf of a putative class of members (who received OON services for which the defendants paid less than billed charges), the American Medical Association, four state medical associations, OON physicians, chiropractors, clinical psychologists, podiatrists, psychotherapists, the American Podiatric Association, California Chiropractic Association and the California Psychological Association on behalf of a putative class of all physicians and all non-physician health care providers, and an OON surgical center. In the consolidated complaint, the plaintiffs allege that the defendants violated the Racketeer Influenced and Corrupt Organizations Act, ("RICO"), the Sherman Antitrust Act, ERISA, federal regulations, and state law by relying on databases provided by Ingenix in determining OON reimbursement. A consolidated amended complaint was filed to add allegations in the lawsuit that OON reimbursement was calculated improperly by methodologies other than the Ingenix databases. The Company filed a motion to dismiss the amended consolidated complaint. The motion was granted in part and denied in part. The court gave the plaintiffs permission to replead many of those claims that were dismissed. The plaintiffs then filed a third amended consolidated complaint repleading some of the claims that had been dismissed without prejudice and adding additional statements in an

NOTES TO FINANCIAL STATEMENTS

attempt to bolster other claims. The Company filed a motion to dismiss the third amended consolidated complaint, which was granted in part and denied in part. The plaintiffs filed a fourth amended consolidated complaint on November 5, 2012. The Company filed a motion to dismiss most of the claims asserted in the fourth amended consolidated complaint. The plaintiffs have not yet filed a response. The OON surgical center voluntarily dismissed their claims. Fact discovery is complete. At the end of 2009, the Company filed a motion in the United States District Court for the Southern District of Florida, or the Florida Court, to enjoin the claims brought by the medical doctors and doctors of osteopathy and certain medical associations based on prior litigation releases, which was granted in 2011, and that court ordered the plaintiffs to dismiss their claims that are barred by the release. The plaintiffs then filed a petition for declaratory judgment asking the court to find that these claims are not barred by the releases from the prior litigation. The Company filed a motion to dismiss the declaratory judgment action, which was granted. The plaintiffs appealed the dismissal of the declaratory judgment to the United States Court of Appeals for the Eleventh Circuit, but the dismissal was upheld. The enjoined physicians have not yet dismissed their claims. The Florida Court found the enjoined physicians in contempt and sanctioned them on July 25, 2012. The barred physicians are paying the sanctions. The Company intends to vigorously defend these suits; however, their ultimate outcome cannot be presently determined.

The Company is involved in other pending and threatened litigation of the character incidental to the business transacted, arising out of its operations and is from time to time involved as a party in various governmental and administrative proceedings. These investigations, audits and reviews include routine and special investigations by state insurance departments, state attorneys general, the U.S. Attorney General and Federal Agencies. Such investigations could result in the imposition of civil or criminal fines, penalties and other sanctions. The Company believes that any liability that may result from any one of these actions is unlikely to have a material adverse effect on the Company's financial position or results of operations.

15. Leases

A. Lessee Leasing Arrangements

1. The Company leases office space, office equipment, EDP equipment, software and terminal lines under various noncancelable operating leases. Related lease expense for 2012 and 2011 was \$3,638,406 and \$3,708,426, respectively.
2. At January 1, 2013, the minimum aggregate rental commitments are as follows:

	Year Ending	
	December 31	Operating Leases
1. 2013	\$	3,063,695
2. 2014		3,064,317
3. 2015		2,797,692
4. 2016		2,639,458
5. 2017		2,643,788
6. Total	\$	14,208,950

3. The Company has not entered into any material sales-leaseback transactions.

B. Lessor Leasing Arrangements

1. Operating Leases
 - a. The Company leases certain furniture and equipment to two affiliates, Anthem Insurance Companies, Inc. and Anthem Health Plans of Kentucky, Inc. For 2012 and 2011, the Company was paid rent of \$852,295 and \$1,043,133 respectively, as reimbursement costs related to the leased furniture and equipment.

NOTES TO FINANCIAL STATEMENTS

- b. At December 31, 2012, the cost, accumulated depreciation and net book value of the leased furniture and equipment was \$22,988,411, \$22,988,361 and \$50 respectively.
- c. Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2012 are as follows:

	Year Ending December 31	Operating Leases
1.	2013	\$ 50
2.	2014	-
3.	2015	-
4.	2016	-
5.	2017	-
6.	Total	<u>\$ 50</u>

- d. There were no contingent rentals included in the income for the years ended December 31, 2012 and 2011.
2. The Company has not entered into any leveraged leases.

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

The Company has no significant financial instruments with off-balance sheet risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2012, there were no significant concentrations.

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

A. Transfers of Receivables Reported as Sales

Not applicable at December 31, 2012 and 2011.

B. Transfer and Servicing of Financial Assets

The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers. At December 31, 2012 the fair value of securities loaned was \$111,652,084, and the carrying value of securities loaned was \$112,897,724.

C. Wash Sales

- 1. In the course of the Company’s asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.
- 2. At December 31, 2012 and 2011, there were no wash sales involving securities with an NAIC designation of 3 or below or unrated.

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

NOTES TO FINANCIAL STATEMENTS

A. Administrative Services Only Plans

Not applicable at December 31, 2012 and 2011.

B. Administrative Services Contract (“ASC”) Plans

The gain from operations from ASC uninsured plans and the uninsured portion of partially insured plans during 2012 was:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 7,337,479,703	\$ -	\$ 7,337,479,703
b. Gross administrative fees accrued	402,923,455	-	402,923,455
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	7,649,789,319	-	7,649,789,319
e. Total gain or loss from operations	\$ 90,613,839	\$ -	\$ 90,613,839

C. Medicare or Other Similarly Structured Cost-Based Reimbursement Contract

Not applicable at December 31, 2012 and 2011.

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

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2012 and 2011.

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
U.S. Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	33,148,499	-	33,148,499
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ 33,148,499	\$ -	\$ 33,148,499
Common Stock				
Industrial and Misc	\$ 246,521,500	\$ 94,550	\$ 6,379,203	\$ 252,995,253
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	\$ 246,521,500	\$ 94,550	\$ 6,379,203	\$ 252,995,253
Total assets at fair value	\$ 246,521,500	\$ 33,243,049	\$ 6,379,203	\$ 286,143,752
b. Liabilities at fair value				
None	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 01/01/2012	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
a. Assets										
Bonds										
Industrial and Misc	\$ 757,881	\$ -	\$ -	\$ 32,555	\$ 26,595	\$ -	\$ -	\$ (817,031)	\$ -	\$ -
Common Stock										
Industrial and Misc	6,739,200	3	-	-	-	-	-	-	-	6,739,203
Total Assets	<u>\$ 7,497,081</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 32,555</u>	<u>\$ 26,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (817,031)</u>	<u>\$ -</u>	<u>\$ 6,739,203</u>

(3) The Company’s policy is to recognize transfers between Levels, if any, as of the beginning of the reporting period.

(4) Fair values of fixed maturity securities are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. United States government securities represent Level 1 securities, while Level 2 securities primarily include corporate securities, securities from states, municipalities and political subdivisions and residential mortgage-backed securities. For securities not actively traded, the third party pricing services may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds.

Fair values of equity securities are generally designated as Level 1 and are based on quoted market prices. For certain equity securities, quoted market prices for the identical security are not always available and the fair value is estimated by reference to similar securities for which quoted prices are available. These securities are designated Level 2.

There have been no significant changes in the valuation techniques during the current period.

B. Fair Value Measurements Under Other Accounting Pronouncements

Not applicable at December 31, 2012 and 2011.

C. Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 1,298,849,756	\$ 1,235,457,191	\$ 2,331,183	\$ 1,294,962,785	\$ 1,555,789	\$ -
Common Stock	252,995,253	252,995,253	246,521,500	94,550	6,379,203	
Short Term Investments	49,090,254	49,090,254	49,090,254			
Cash Equivalents	51,725,422	51,725,422	51,725,422			

D. Not Practicable to Estimate Fair Value

There are no financial instruments that were not practicable to estimate fair value.

21. Other Items

A. Extraordinary Items

Not applicable at December 31, 2012 and 2011.

B. Troubled Debt Restructuring

Not applicable at December 31, 2012 and 2011.

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures

Assets in the amount of \$401,073 and \$401,490 at December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by law.

D. Uncollectible Premium Receivables

At December 31, 2012 and 2011, the Company reported admitted assets of \$319,601,162 and \$240,302,058, respectively in premiums receivables and in receivables due from uninsured plans. Based upon Company experience, any uncollectible receivables are not expected to exceed \$30,551,460 that was non-admitted at December 31, 2012; therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

E. Business Interruption Insurance Recoveries

The Company has reported no recoveries for business interruption for the years ended December 31, 2012 and 2011.

F. State Transferable Tax Credits

The Company did not have state transferable tax credits at December 31, 2012 and 2011.

G. Subprime Mortgage-Related Risk Exposure

1. The Company consults with its external investment managers to assess its subprime mortgage-related risk exposure. The general categories of information considered in determining exposure are collateral and the structure of the security. Other categories considered in determining the exposure include loan purpose, loan documentation, occupancy, geographical location, loan size and loan type. Subprime mortgage borrowers typically have lower credit scores, lower loan balances and higher loan-to-values than other conforming loans.
2. At December 31, 2012, the Company did not carry investments in subprime mortgage loans in its portfolio.
3. At December 31, 2012, the Company's investment portfolio did not contain investments with subprime mortgage-related risk exposure.
4. The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2012.

H. Retained Assets

The Company did not have any retained assets at December 31, 2012 and 2011.

22. Events Subsequent

There were no events occurring subsequent to December 31, 2012 requiring disclosure. Subsequent events have been considered through February 25, 2013 for the statutory statement issued on February 25, 2013.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

NOTES TO FINANCIAL STATEMENTS

1. Are any of the reinsurers that are listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes () No (X)

If yes, give full details.

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled, directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes () No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.

\$_____

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement?

\$_____

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$0

NOTES TO FINANCIAL STATEMENTS

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability taken for such new agreements or amendments?

\$ _____

B. Uncollectible Reinsurance

The Company has no uncollectible reinsurance at December 31, 2012 and 2011.

C. Commutation of Ceded Reinsurance

The Company has not commuted ceded reinsurance during 2012 and 2011.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A.** The Company sells accident and health policies for which the premiums vary based on loss experience. The Company estimates retrospective premium adjustments through the review of each retrospectively rated account, comparing the claim development with that anticipated in the policy contracts.
- B.** The Company records accrued retrospective premium through written premium.
- C.** The amount of net premiums written by the Company in 2012 and 2011 that were subject to retrospective rating features was \$3,850,987,216 and \$3,021,524,774, respectively, which represented 73.9% and 66.9%, respectively, of total net premiums written.
- D.** In accordance with the NAIC Accounting Practices and Procedures Manual, medical loss ratio rebates in accordance with the Federal 2010 Patient Protection and Affordable Care Act and Public Health Service Act, are to be reported in accordance with SSAP No. 66 – *Retrospectively Rated Contracts* (“SSAP No. 66”). A retrospectively rated contract is one which has the final policy premium calculated based on the loss experience of the insured during the term of the policy (including loss development after the term of the policy) and the stipulated formula set forth in the policy, or in the case of medical loss ratio rebates, a formula required by law. The Company based the incurred and unpaid liability amounts reported below based on its underwriting experience; actuarial, tax, and accounting estimates and assumptions at the financial statement date; as well as regulations and guidance available that is not final and subject to change prior to settlement. Accordingly, the Company’s use of estimates and assumptions in the preparation of the statutory based financial statements and related footnote disclosures may differ from actual results. Hence, the amounts reported herein are for financial reporting purposes solely and not intended to be used for settlement purposes.

NOTES TO FINANCIAL STATEMENTS

Medical loss ratio rebates accrued pursuant to the Public Health Service Act are as follows:

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$6,633,894	\$ -	\$ -	\$ -	\$ 6,633,894
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	6,633,894	-	-	-	6,633,894
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	6,633,894
Current Reporting Year-to-Date					
(1) Medical loss ratio rebates incurred	\$ (188)	\$ -	\$ -	\$ -	\$ (188)
(2) Medical loss ratio rebates paid	6,633,706	-	-	-	6,633,706
(3) Medical loss ratio rebates unpaid	-	-	-	-	-
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	-

25. Change in Incurred Claims and Claim Adjustment Expenses

The estimated cost of claims and claims adjustment expenses attributable to insured events of prior years decreased by \$38,808,939 during 2012. This is approximately 9.32% of unpaid claims and claim adjustment expenses of \$416,253,091 as of December 31, 2011. The redundancy reflects the decreases in estimated claims and claims adjustment expenses as a result of claims payment during the year, and as additional information is received regarding claims incurred prior to 2012. Recent claim development trends are also taken into account in evaluating the overall adequacy of unpaid claims and claims adjustment expenses.

26. Intercompany Pooling Arrangements

Not applicable at December 31, 2012 and 2011.

27. Structured Settlements

Not applicable at December 31, 2012 and 2011.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

NOTES TO FINANCIAL STATEMENTS

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2012	\$ 9,565,073	\$ 16,943,421	\$ -	\$ -	\$ -
9/30/2012	7,138,210	18,087,208	-	-	-
6/30/2012	7,590,155	16,793,668	1,119,260	21,370,324	-
3/31/2012	5,345,427	18,485,826	949,456	21,615,348	1,232,010
12/31/2011	7,149,930	19,638,094	667,970	25,141,453	1,111,903
9/30/2011	7,859,992	18,973,001	685,094	24,981,925	1,247,958
6/30/2011	9,630,215	15,908,700	655,991	24,863,210	1,002,656
3/31/2011	9,878,625	15,594,468	-	21,779,724	4,141,387
12/31/2010	1,173,679	25,015,792	622,882	24,724,500	1,595,948
9/30/2010	855,274	23,440,281	640,066	22,290,022	2,771,622
6/30/2010	2,424,805	22,005,152	530,937	21,899,050	2,545,615
3/31/2010	8,620,659	17,210,049	545,649	18,264,799	5,775,753

B. Risk Sharing Receivables

Not applicable at December 31, 2012 and 2011.

29. Participating Policies

Not applicable at December 31, 2012 and 2011.

30. Premium Deficiency Reserves

The Company did not record premium deficiency reserves at December 31, 2012 and 2011.

31. Anticipated Subrogation and Other Recoveries

The Company took into account estimated anticipated subrogation and other recoveries in its determination of the liability for unpaid claims and reduced its liability by \$18,824,000 and \$18,689,000 at December 31, 2012 and 2011, respectively.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

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 ☐ N/A ☐

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.

12/31/2007

3.2

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

12/31/2007

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).

05/04/2009

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 ☐ N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

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.

1	2	3
Name of Entity	NAIC Company Code	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:

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;

%

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 or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
.....

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 111 Monument Circle, Suite 2600, Indianapolis, IN 46204
- 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 [] N/A []
- 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?
Cheryl Allari, FSA, MAAA, Actuarial Director (employee); 4361 Irwin Simpson Road, Mason, OH 45040
- 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 [] N/A []
- 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 []
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 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 2012 OF THE Community Insurance Company

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes ☐ No ☒
- 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

BOARD OF DIRECTORS

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 ☒ 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 ☒ 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 with the official duties of such person? Yes ☒ 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 ☒
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$
20.12 To stockholders not officers\$
20.13 Trustees, supreme or grand (Fraternal Only)\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$
20.22 To stockholders not officers\$
20.23 Trustees, supreme or grand (Fraternal Only)\$
- 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 ☒
- 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 ☐
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$
22.22 Amount paid as expenses\$387,676
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 ☐
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 24.01 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 24.03) Yes ☐ No ☒
- 24.02 If no, give full and complete information relating thereto
The Company has securities on deposit with the State of Ohio.
- 24.03 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)
See Note 5E and 17 for details.
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes ☒ No ☐ N/A ☐
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.\$114,503,911
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.\$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ☒ No ☐ N/A ☐
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ☒ No ☐ N/A ☐
- 24.09 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 ☐ N/A ☐

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	114,094,600
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	114,503,911
24.103	Total payable for securities lending reported on the liability page.	\$	114,503,911

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 24.03).

Yes [X] No []

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	\$	158,452,532
		25.26 Placed under option agreements	\$	
		25.27 Letter stock or other securities restricted as to sale	\$	
		25.28 On deposit with state or other regulatory body	\$	401,073
		25.29 Other	\$	

25.3 For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	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 [] N/A [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	2
Name of Custodian(s)	Custodian's Address
The Bank of New York Mellon Corporation	New York, NY

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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

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

1	2	3
Central Registration Depository Number(s)	Name	Address
107105	BlackRock Financial Management	New York, NY
131619	Ares Capital Management LLC	Los Angeles, CA
105006	Deutsche Asset Management	New York, NY
113878	McDonnell Investment Management, LLC	Oak Brook, IL
134852	Sankaty Advisors, LLC	Boston, MA
107346	Seix Advisors	Upper Saddle River, NJ
Not Available	State Street Global Advisors	Boston, MA

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

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	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		0

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	1,336,251,738	1,399,644,304	63,392,566
30.2 Preferred stocks	0		0
30.3 Totals	1,336,251,738	1,399,644,304	63,392,566

- 30.4 Describe the sources or methods utilized in determining the fair values:
Fair values were obtained from third-party pricing sources. If a security was not priced by a third-party pricing source, internal analytical systems or broker quotes were utilized.
- 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 2012 OF THE Community Insurance Company

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$ 1,339,185

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
Blue Cross Blue Shield Association	1,339,185
.....	

34.1 Amount of payments for legal expenses, if any?\$ 2,745,330

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?\$ 90,000

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
The Success Group	90,000
Lobbying expenses disclosed reflect amounts reported in the Lobbyist Disclosure Reports filed with the Secretary of State as well as the cost of external contractors who provided lobbying services to the Company. The amount may include expenses that may have been paid by an affiliate on behalf of the Company and, as a result, may not be included in the Underwriting Gain reported on page 4 of the 2012 Annual Statement.	
.....	

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [X] No []

1.2

If yes, indicate premium earned on U.S. business only.

\$ 117,863,618

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

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

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 90,295,586

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 30,545,571

1.62

Total incurred claims

\$ 24,725,661

1.63

Number of covered lives

18,952

All years prior to most current three years:

1.64

Total premium earned

\$ 31,343,072

1.65

Total incurred claims

\$ 22,502,114

1.66

Number of covered lives

10,700

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 1,807,464

1.72

Total incurred claims

\$ 1,798,019

1.73

Number of covered lives

895

All years prior to most current three years:

1.74

Total premium earned

\$ 54,167,509

1.75

Total incurred claims

\$ 41,269,792

1.76

Number of covered lives

21,891

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

5,214,779,738

4,513,686,008

2.2

Premium Denominator

5,214,779,738

4,513,686,008

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

583,308,034

522,462,771

2.5

Reserve Denominator

583,308,034

522,462,771

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

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 []

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [] No [X]

5.2

If no, explain:
WellPoint has the ability to cover costs for the entity as needed.

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental & Vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

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:
The Company's provider contracts include insolvency provisions, continuity of care provisions, and hold harmless language. Benefit certificates include continuation and conversion language allowing subscribers and dependents to continue or convert coverage under certain circumstances. WellPoint, Inc. will assume, pay and discharge the obligations in the event the Company is insolvent.

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

57,932

8.2

Number of providers at end of reporting year

58,644

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [X] No []

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months.

\$ 3,035,522

9.22

Business with rate guarantees over 36 months

\$ 780,805

27

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

GENERAL INTERROGATORIES

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [X] No []

10.2

If yes:

10.21

Maximum amount payable bonuses.....

\$ 2,829,025

10.22

Amount actually paid for year bonuses.....

\$ 5,868,616

10.23

Maximum amount payable withholds.....

\$

10.24

Amount actually paid for year withholds.....

\$

11.1

Is the reporting entitiy 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 [X] No []

11.3

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

Ohio

11.4

If yes, show the amount required.

\$ 2,500,000

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
State of Ohio
State of Indiana
.....

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 funds administered as of the reporting date.

\$

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

FIVE-YEAR HISTORICAL DATA

	1 2012	2 2011	3 2010	4 2009	5 2008
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	1,988,697,450	1,882,344,244	1,994,795,669	2,919,438,009	1,736,571,420
2. Total liabilities (Page 3, Line 24)	1,233,878,958	1,190,233,898	1,271,536,362	2,292,924,338	1,077,754,072
3. Statutory surplus	2,500,000	2,500,000	2,500,000	2,500,000	6,670,448
4. Total capital and surplus (Page 3, Line 33)	754,818,492	692,110,346	723,259,307	626,513,671	658,817,349
Income Statement (Page 4)					
5. Total revenues (Line 8)	5,229,538,922	4,517,103,718	4,141,723,181	4,068,642,682	4,451,697,236
6. Total medical and hospital expenses (Line 18)	4,412,907,954	3,672,016,330	3,266,036,454	3,400,217,985	3,632,356,255
7. Claims adjustment expenses (Line 20)	91,327,645	65,336,799	73,066,409	97,641,498	127,763,064
8. Total administrative expenses (Line 21)	288,278,639	317,776,760	329,891,538	344,285,786	240,491,207
9. Net underwriting gain (loss) (Line 24)	441,036,852	467,208,829	476,157,780	226,011,414	462,691,310
10. Net investment gain (loss) (Line 27)	87,653,254	78,381,511	84,739,204	2,393,017,105	90,520,431
11. Total other income (Lines 28 plus 29)	5,111,122	2,819,716	63,412	(1,152,801)	(255,443)
12. Net income or (loss) (Line 32)	380,133,924	367,276,522	375,666,962	2,516,319,822	614,857,501
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	324,298,261	389,001,866	(917,962,528)	165,135,357	622,919,767
Risk-Based Capital Analysis					
14. Total adjusted capital	754,818,492	692,110,346	723,259,307	626,513,671	738,673,013
15. Authorized control level risk-based capital	174,669,499	166,623,585	149,642,575	154,881,946	169,582,374
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,875,569	1,743,198	1,729,649	1,768,370	1,862,097
17. Total members months (Column 6, Line 7)	22,536,688	20,964,701	20,701,945	21,534,830	22,922,983
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)	84.4	81.3	78.8	83.6	81.6
20. Cost containment expenses	0.9	1.3	1.4	1.4	1.6
21. Other claims adjustment expenses	0.9	0.1	0.4	1.0	1.3
22. Total underwriting deductions (Line 23)	91.6	89.7	88.5	94.4	89.6
23. Total underwriting gain (loss) (Line 24)	8.4	10.3	11.5	5.6	10.4
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	362,513,257	329,883,419	282,290,352	400,042,800	500,163,392
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	402,560,518	338,936,907	359,006,701	415,108,005	489,138,520
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)		0	0	0	
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)			0		
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)		0	0	0	
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					0
31. All other affiliated	1,031,177	18,517,811			93,824,398
32. Total of above Lines 26 to 31	1,031,177	18,517,811	0	0	93,824,398
33. Total investment in parent included in Lines 26 to 31 above.					

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 2012 OF THE Community Insurance Company

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
States, etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama	AL	N						0		
2. Alaska	AK	N						0		
3. Arizona	AZ	N						0		
4. Arkansas	AR	N						0		
5. California	CA	N						0		
6. Colorado	CO	N						0		
7. Connecticut	CT	N						0		
8. Delaware	DE	N						0		
9. District of Columbia	DC	N						0		
10. Florida	FL	N						0		
11. Georgia	GA	N						0		
12. Hawaii	HI	N						0		
13. Idaho	ID	N						0		
14. Illinois	IL	N						0		
15. Indiana	IN	L	43,393,632					43,393,632		
16. Iowa	IA	N						0		
17. Kansas	KS	N						0		
18. Kentucky	KY	N						0		
19. Louisiana	LA	N						0		
20. Maine	ME	N						0		
21. Maryland	MD	N						0		
22. Massachusetts	MA	N						0		
23. Michigan	MI	N						0		
24. Minnesota	MN	N						0		
25. Mississippi	MS	N						0		
26. Missouri	MO	N						0		
27. Montana	MT	N						0		
28. Nebraska	NE	N						0		
29. Nevada	NV	N						0		
30. New Hampshire	NH	N						0		
31. New Jersey	NJ	N						0		
32. New Mexico	NM	N						0		
33. New York	NY	N						0		
34. North Carolina	NC	N						0		
35. North Dakota	ND	N						0		
36. Ohio	OH	L	3,057,232,515	1,261,067,880	853,085,711			5,171,386,106		
37. Oklahoma	OK	N						0		
38. Oregon	OR	N						0		
39. Pennsylvania	PA	N						0		
40. Rhode Island	RI	N						0		
41. South Carolina	SC	N						0		
42. South Dakota	SD	N						0		
43. Tennessee	TN	N						0		
44. Texas	TX	N						0		
45. Utah	UT	N						0		
46. Vermont	VT	N						0		
47. Virginia	VA	N						0		
48. Washington	WA	N						0		
49. West Virginia	WV	N						0		
50. Wisconsin	WI	N						0		
51. Wyoming	WY	N						0		
52. American Samoa	AS	N						0		
53. Guam	GU	N						0		
54. Puerto Rico	PR	N						0		
55. U.S. Virgin Islands	VI	N						0		
56. Northern Mariana Islands	MP	N						0		
57. Canada	CAN	N						0		
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	3,057,232,515	1,304,461,512	0	853,085,711	0	0	5,214,779,738	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	(a) 2	3,057,232,515	1,304,461,512	0	853,085,711	0	0	5,214,779,738	0	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

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

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

Allocate based on the situs of the contract.

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

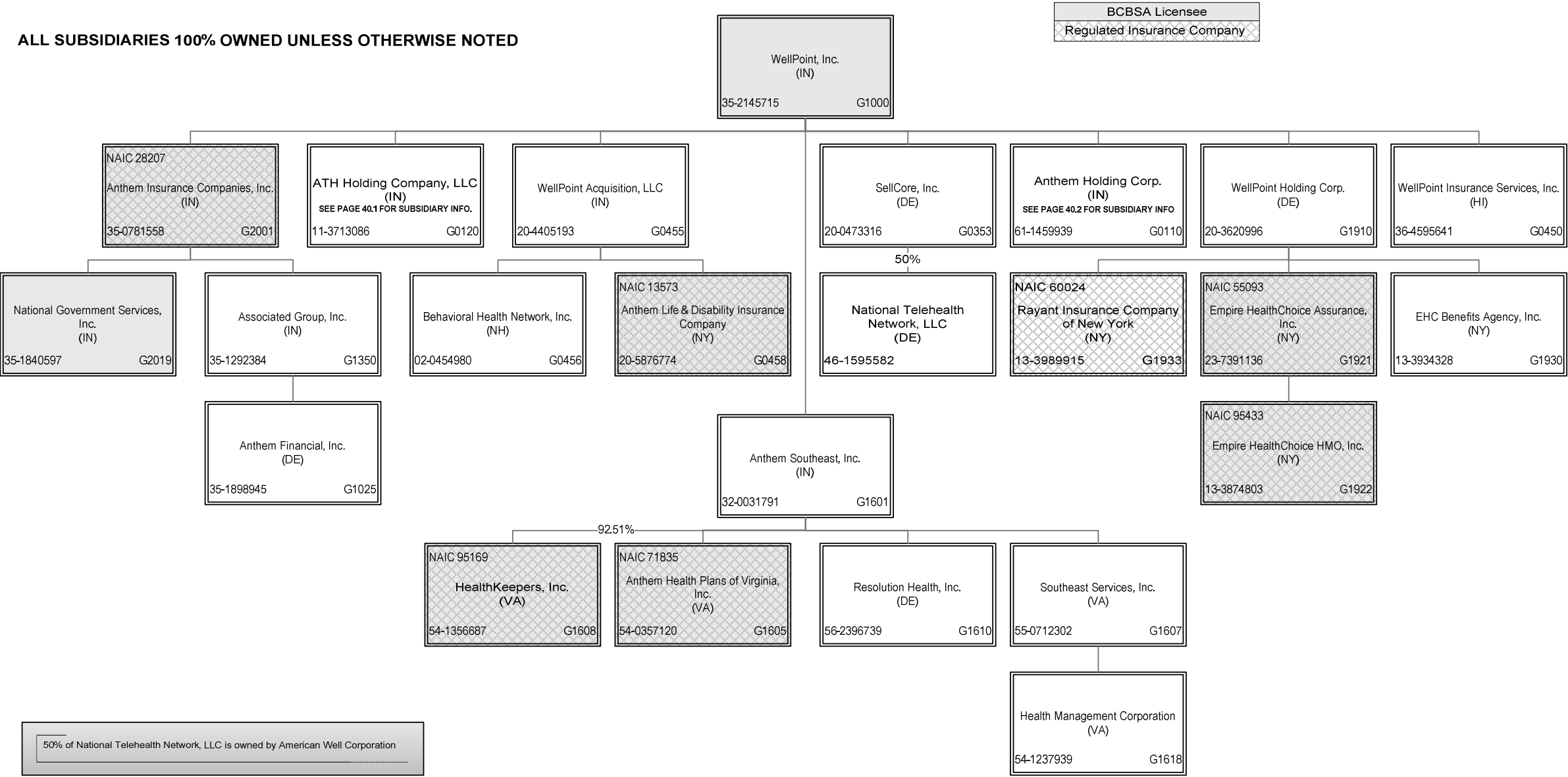
Allocate based on the situs of the contract.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Community Insurance Company

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

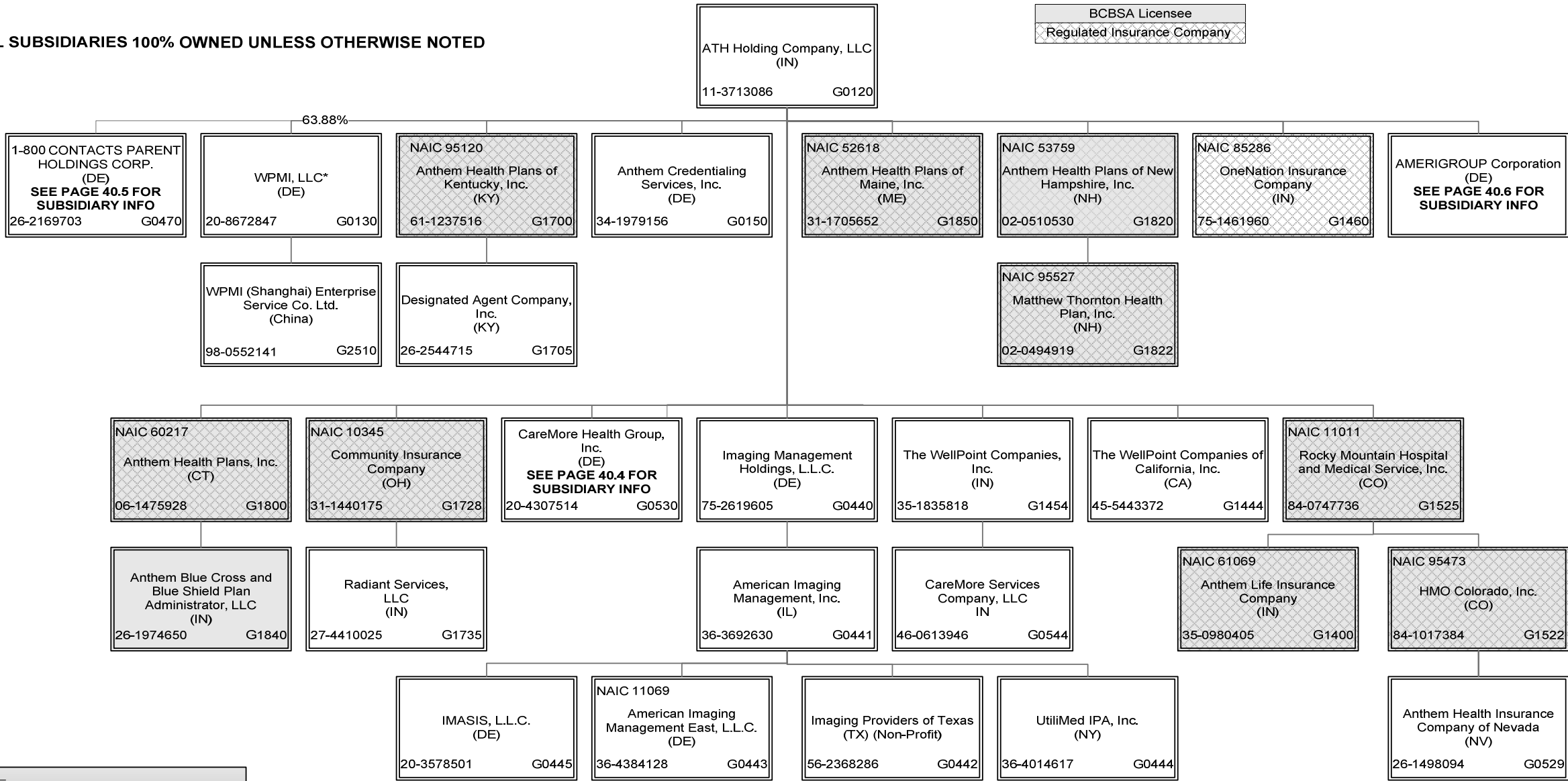
PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED



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

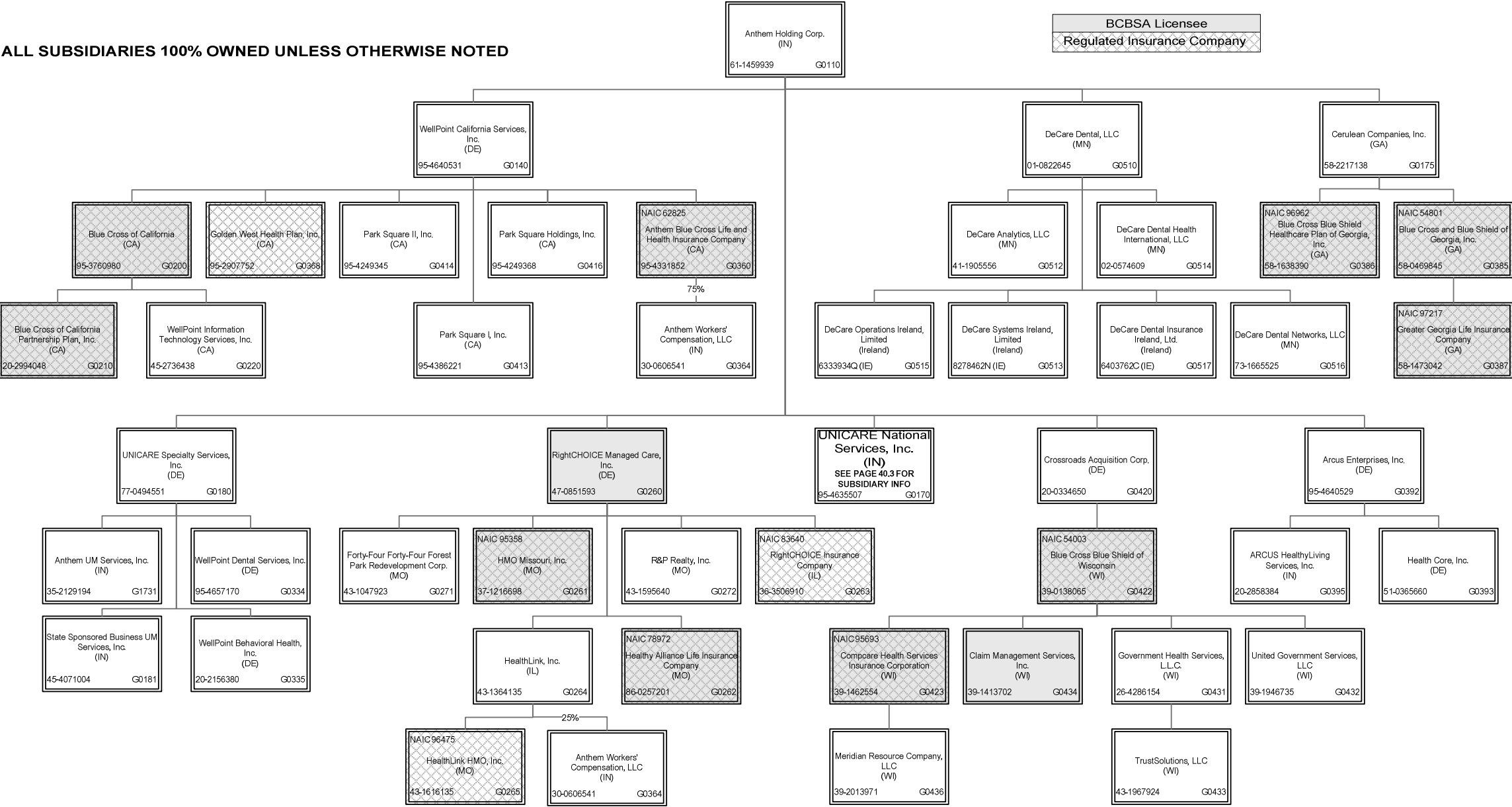
ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED



*36.12 of WPMI, LLC is owned by unaffiliated investors

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

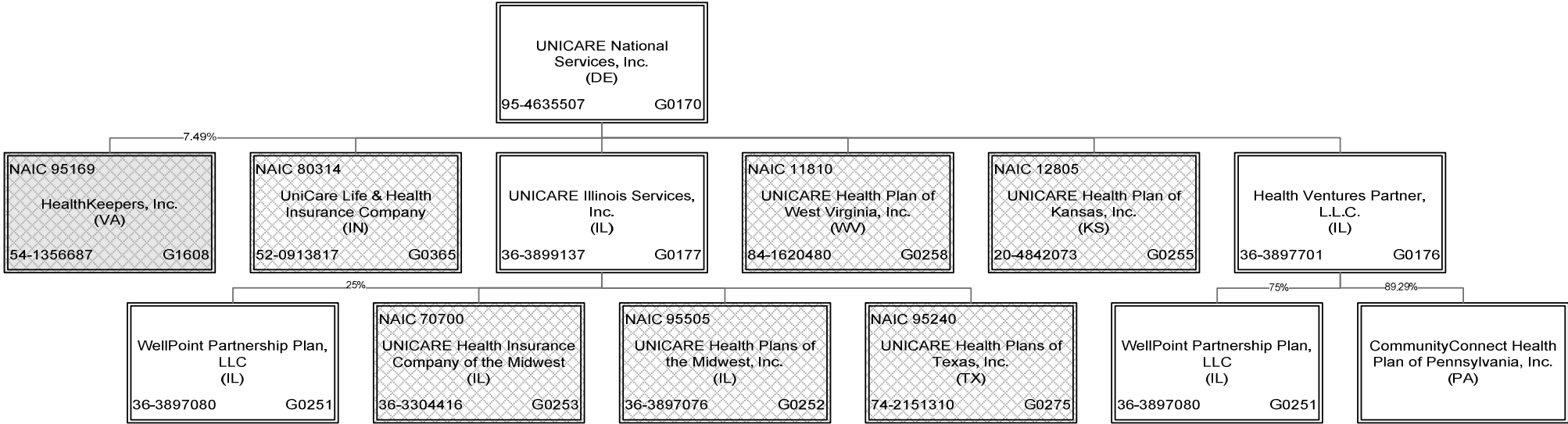
ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED



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

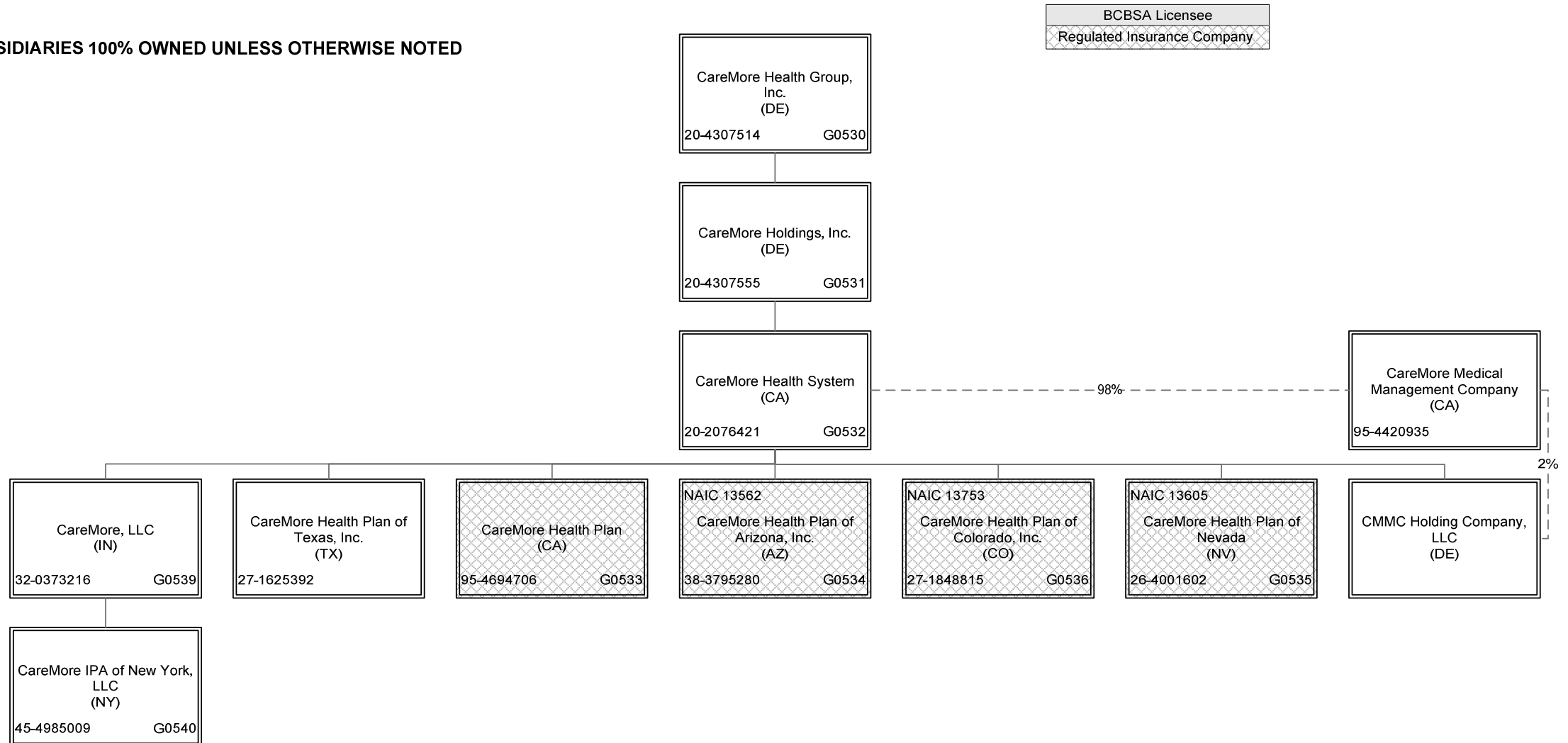
ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED

BCBSA Licensee
Regulated Insurance Company



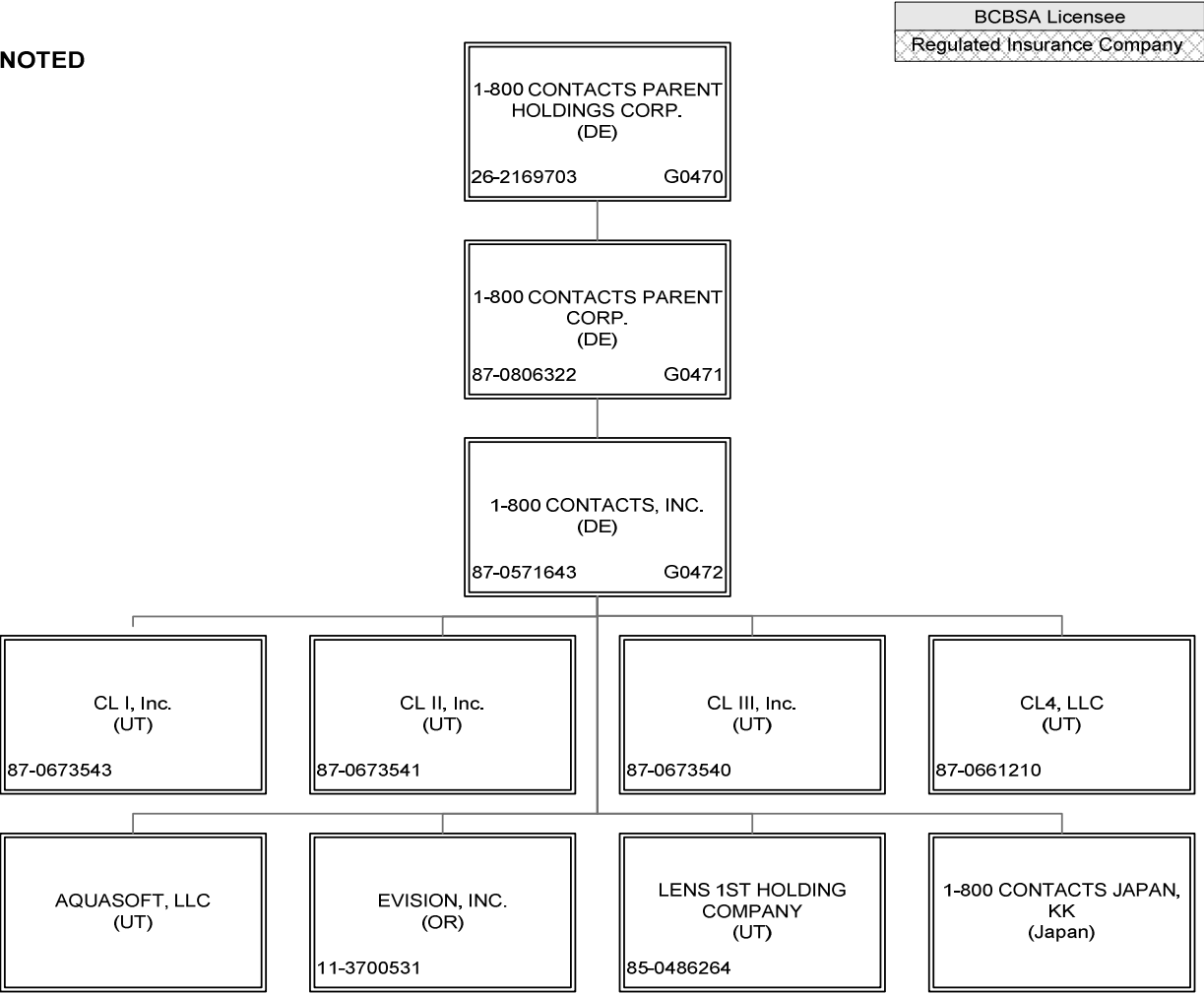
*10.71% of CommunityConnect Health Plan of Pennsylvania, Inc. is owned by unaffiliated investors

ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED



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

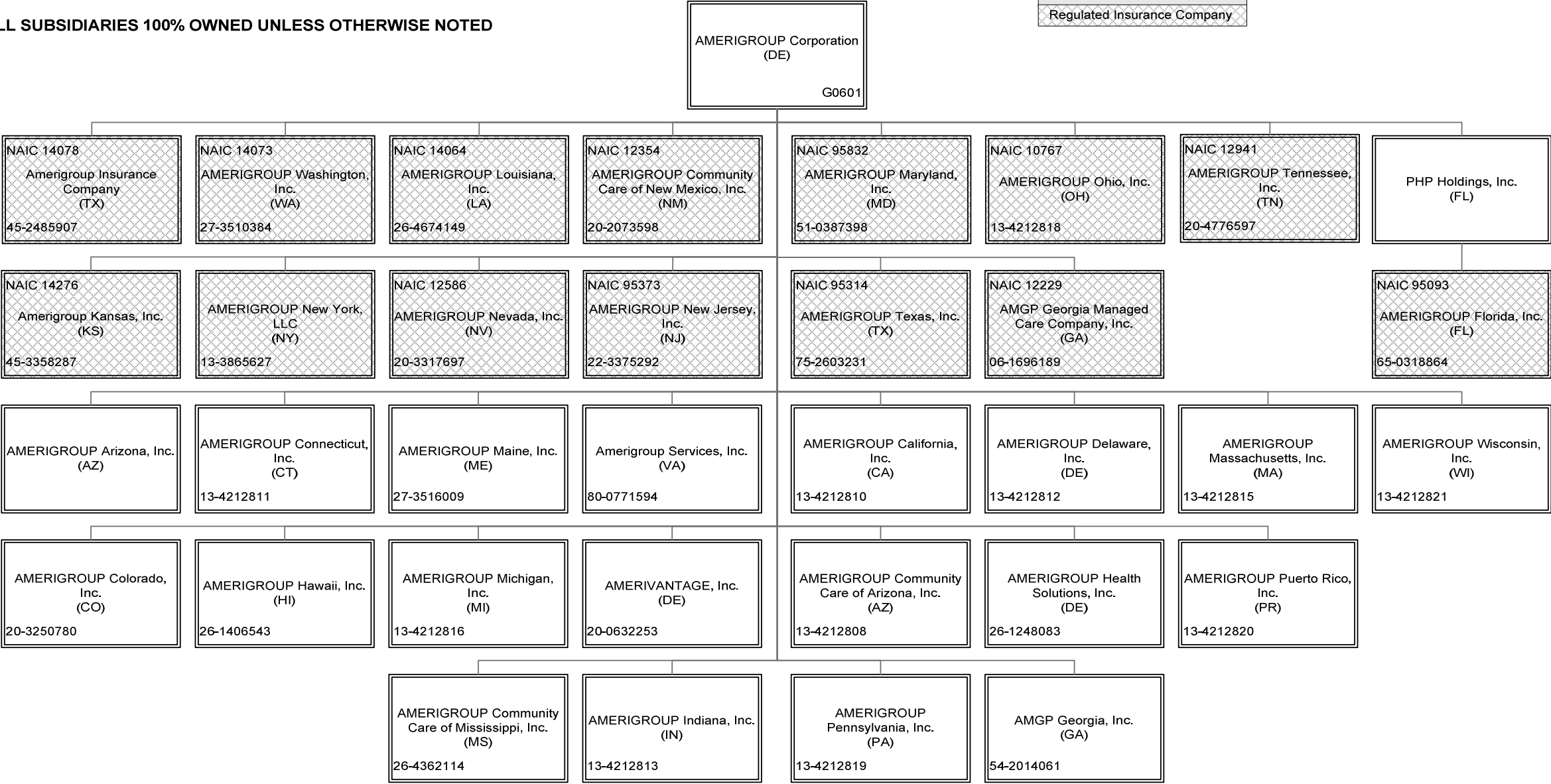
ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED



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

ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED

BCBSA Licensee
Regulated Insurance Company



OVERFLOW PAGE FOR WRITE-INS

NONE

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