



ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2013  
OF THE CONDITION AND AFFAIRS OF THE

Mount Carmel Health Plan, Inc

NAIC Group Code 2838 (Current Period) , NAIC Company Code 95655 (Prior Period) Employer's ID Number 311471229

Organized under the Laws of Ohio , State of Domicile or Port of Entry Ohio

Country of Domicile US

Licensed as business type:

Life, Accident and Health [ ] Property/Casualty [ ] Hospital, Medical and Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Other [ ]  
Health Maintenance Organization [ X ] Is HMO Federally Qualified? Yes (X) No ( )

Incorporated/Organized August 6, 1996 Commenced Business April 1, 1997

Statutory Home Office 6150 East Broad Street, EE320, Columbus, Ohio 43213 (Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 6150 East Broad Street, EE320, Columbus, Ohio 43213 6145463211 (Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 6150 East Broad Street, EE320, Columbus, Ohio 43213 (Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 6150 East Broad Street, EE320, Columbus, Ohio 43213 (Street and Number, City or Town, State, Country and Zip Code)  
6145463211 (Area Code) (Telephone Number)

Internet Website Address www.medigold.com

Statutory Statement Contact Timothy Kern 6145463417 (Name) (Area Code) (Telephone Number) (Extension)  
tkern@mchs.com 6145463144 (E-Mail Address) (Fax Number)

OFFICERS  
Keith Colman (Chairperson)  
Hugh Jones (Treasurer)  
Sister Barbara Hahl (Secretary)  
OTHER OFFICERS

DIRECTORS OR TRUSTEES  
Robert Paskowski  
Claus von Zychlin  
Daniel Wendorff, MD  
Robert Griffith, MD

State of Ohio }  
County of Franklin } SS

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.

Keith Colman Robert Paskowski Hugh Jones  
Chairperson Chief Executive Officer Treasurer

Subscribed and sworn to before me this day of  
a. Is this an original filing? Yes (X) No ( )  
b. If no: 1. State the amendment number  
2. Date filed  
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col 1 - Col 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	129,712,727		129,712,727	117,957,013
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	67,598,791		67,598,791	55,325,320
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 5,883,240 , Schedule E - Part 1) , cash equivalents (\$ ..... 50,836,492 , Schedule E - Part 2) and short-term investments (\$ ..... 50,229,855 ,Schedule DA) .....	106,949,587		106,949,587	116,147,030
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Line 1 through Line 11) .....	304,261,105		304,261,105	289,429,363
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	955,960		955,960	743,404
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	17,026,945		17,026,945	2,078,812
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....	1,951,926		1,951,926	
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	2,605		2,605	
21. Furniture and equipment , including health care delivery assets (\$ ..... ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent , subsidiaries and affiliates .....	81,876		81,876	55,839
24. Health care (\$ ..... 1,899,242 ) and other amounts receivable .....	5,319,404	3,420,162	1,899,242	1,598,336
25. Aggregate write-ins for other-than-invested assets .....	1,713,889	793,511	920,378	738,417
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) .....	331,313,710	4,213,673	327,100,037	294,644,171
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Line 26 and Line 27) .....	331,313,710	4,213,673	327,100,037	294,644,171
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) .....				
2501. Misc Receivable .....	589,503		589,503	738,417
2502. QCP Receivable .....	330,875		330,875	
2503. Prepaid Expenses .....	793,511	793,511		
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	1,713,889	793,511	920,378	738,417

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....	25,161,978		25,161,978	20,605,935
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	262,655		262,655	174,732
4. Aggregate health policy reserves, including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	164,336		164,336	597,585
9. General expenses due or accrued .....	6,380,967		6,380,967	3,793,867
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	3,707,876		3,707,876	2,426,407
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				2,303,256
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....				
24. Total liabilities (Line 1 to Line 23) .....	35,677,812		35,677,812	29,901,782
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X	100	100
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X	42,422,434	42,422,434
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other-than-special surplus funds .....	X X X	X X X		
31. Unassigned funds (surplus) .....	X X X	X X X	248,999,691	222,319,855
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	X X X	X X X		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	X X X	X X X		
33. Total capital and surplus (Line 25 to Line 31 minus Line 32) .....	X X X	X X X	291,422,225	264,742,389
34. Total liabilities, capital and surplus (Line 24 and Line 33) .....	X X X	X X X	327,100,037	294,644,171
DETAILS OF WRITE-INS				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....				
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	445,756	359,321
2. Net premium income (including \$ non-health premium income)	X X X	405,202,597	359,730,383
3. Change in unearned premium reserves and reserve for rate credits	X X X	19,636,564	(451,185)
4. Fee-for-service (net of \$ medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Line 2 to Line 7)	X X X	424,839,161	359,279,198
Hospital and Medical:			
9. Hospital/medical benefits		190,902,088	158,348,301
10. Other professional services		108,874,156	90,446,281
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		58,996,802	41,648,244
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments, and bonus amounts			
16. Subtotal (Line 9 to Line 15)		358,773,046	290,442,826
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Line 16 minus Line 17)		358,773,046	290,442,826
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 2,822,597 cost containment expenses		9,186,816	6,841,645
21. General administrative expenses		34,158,431	23,525,375
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)			
23. Total underwriting deductions (Line 18 through Line 22)		402,118,293	320,809,846
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	X X X	22,720,868	38,469,352
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		4,329,181	4,508,187
26. Net realized capital gains (losses) less capital gains tax of \$		15,172,449	6,009,053
27. Net investment gains (losses) (Line 25 plus Line 26)		19,501,630	10,517,240
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ )]			
29. Aggregate write-ins for other income or expenses		1,154,882	614,333
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	X X X	43,377,380	49,600,925
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Line 30 minus Line 31)	X X X	43,377,380	49,600,925
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)			
2901. Other Contractual Revenue		724,224	576,844
2902. Other Income		430,658	37,489
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)		1,154,882	614,333

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting year .....	264,742,389	229,072,069
34. Net income or (loss) from Line 32 .....	43,377,380	49,600,925
35. Change in valuation basis of aggregate policy and claims reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	4,196,109	1,127,302
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	(893,653)	(57,907)
40. Change in unauthorized and certified reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....		
43. Cumulative effect of changes in accounting principles .....		
44. Capital Changes:		
44.1 Paid in .....		
44.2 Transferred from surplus (Stock Dividend) .....		
44.3 Transferred to surplus .....		
45. Surplus adjustments:		
45.1 Paid in .....		
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Tranferred from capital .....		
46. Dividends to stockholders .....	(20,000,000)	(15,000,000)
47. Aggregate write-ins for gains or (losses) in surplus .....		
48. Net change in capital and surplus (Line 34 to Line 47) .....	26,679,836	35,670,320
49. Capital and surplus end of reporting year (Line 33 plus Line 48) .....	291,422,225	264,742,389
DETAILS OF WRITE-INS		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above) .....		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	405,202,597	359,730,383
2. Net investment income	3,002,592	7,013,372
3. Miscellaneous income	1,154,882	614,333
4. Total (Line 1 through Line 3)	409,360,071	367,358,088
5. Benefit and loss related payments	354,429,986	291,669,990
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	40,758,146	30,918,243
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	395,188,132	322,588,233
11. Net cash from operations (Line 4 minus Line 10)	14,171,939	44,769,855
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	45,292,137	34,981,301
12.2 Stocks	82,981,510	42,442,497
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	128,273,647	77,423,798
13. Cost of investments acquired (long-term only):		
13.1 Bonds	56,678,387	57,935,520
13.2 Stocks	76,269,156	39,431,986
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	132,947,543	97,367,506
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(4,673,896)	(19,943,708)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	20,000,000	15,000,000
16.6 Other cash provided (applied)	1,304,514	(2,526,410)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(18,695,486)	(17,526,410)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(9,197,443)	7,299,737
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	116,147,030	108,847,293
19.2 End of year (Line 18 plus Line 19.1)	106,949,587	116,147,030
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and 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 .....	405,202,597						405,202,597			
2. Change in unearned premium reserves and reserve for rate credit .....	19,636,564						19,636,564			
3. Fee-for-service (net of \$ ..... medical expenses) .....										X X X
4. Risk revenue .....										X X X
5. Aggregate write-ins for other health care related revenues .....										X X X
6. Aggregate write-ins for other non-health care related revenues .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. Total revenues (Line 1 through Line 6) .....	424,839,161						424,839,161			
8. Hospital/medical benefits .....	190,902,088						190,902,088			X X X
9. Other professional services .....	108,874,156						108,874,156			X X X
10. Outside referrals .....										X X X
11. Emergency room and out-of-area .....										X X X
12. Prescription drugs .....	58,996,802						58,996,802			X X X
13. Aggregate write-ins for other hospital and medical .....										X X X
14. Incentive pool, withhold adjustments, and bonus amounts .....										X X X
15. Subtotal (Line 8 through Line 14) .....	358,773,046						358,773,046			X X X
16. Net reinsurance recoveries .....										X X X
17. Total hospital and medical (Line 15 minus Line 16) .....	358,773,046						358,773,046			X X X
18. Non-health claims (net) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$ ..... 2,822,597 cost containment expenses .....	9,186,816						9,186,816			
20. General administrative expenses .....	34,158,431						34,158,431			
21. Increase in reserves for accident and health contracts .....										X X X
22. Increase in reserves for life contracts .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. Total underwriting deductions (Line 17 through Line 22) .....	402,118,293						402,118,293			
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	22,720,868						22,720,868			
DETAILS OF WRITE-INS										
0501. ....										X X X
0502. ....										X X X
0503. ....										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page .....										X X X
0599. Total (Line 0501 through Line 0503 plus Line 0598) (Line 5 above) .....										X X X
0601. ....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602. ....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603. ....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. Total (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301. ....										X X X
1302. ....										X X X
1303. ....										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page .....										X X X
1399. Total (Line 1301 through Line 1303 plus Line 1398) (Line 13 above) .....										X X X

UNDERWRITING AND INVESTMENT EXHIBIT

Part 1 - Premiums

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Column 1 plus Column 2 minus Column 3)
1. Comprehensive (hospital and medical) .....				
2. Medicare Supplement .....				
3. Dental only .....				
4. Vision only .....				
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII - Medicare .....	405,202,597			405,202,597
7. Title XIX - Medicaid .....				
8. Other health .....				
9. Health subtotal (Line 1 through Line 8) .....	405,202,597			405,202,597
10. Life .....				
11. Property/casualty .....				
12. Totals (Line 9 to Line 11) .....	405,202,597			405,202,597



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and 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	354,217,004						354,217,004			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	354,217,004						354,217,004			
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	25,161,978						25,161,978			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	25,161,978						25,161,978			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net health care receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	20,605,935						20,605,935			
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	20,605,935						20,605,935			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	358,773,047						358,773,047			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	358,773,047						358,773,047			
13. Incurred medical incentive pools and bonuses										

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

**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 and 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 .....										
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....										
2. Incurred but Unreported:										
2.1 Direct .....	25,161,978						25,161,978			
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	25,161,978						25,161,978			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS:										
4.1 Direct .....	25,161,978						25,161,978			
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	25,161,978						25,161,978			

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 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Column 1 plus Column 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....						
2. Medicare Supplement .....						
3. Dental Only .....						
4. Vision Only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....	19,368,861	334,848,143		25,161,978	19,368,861	20,605,935
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Line 1 through Line 8) .....	19,368,861	334,848,143		25,161,978	19,368,861	20,605,935
10. Healthcare receivables (a) .....						
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....						
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12) .....	19,368,861	334,848,143		25,161,978	19,368,861	20,605,935

(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 and Medical)

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Comprehensive (Hospital and 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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

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

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2009 .....										
2. 2010 .....										
3. 2011 .....										
4. 2012 .....										
5. 2013 .....										

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Mount Carmel Health Plan , Inc

**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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

**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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

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

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2009 .....										
2. 2010 .....										
3. 2011 .....										
4. 2012 .....										
5. 2013 .....										

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Mount Carmel Health Plan , Inc

**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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

**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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

**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 Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2009 .....										
2. 2010 .....										
3. 2011 .....										
4. 2012 .....										
5. 2013 .....										

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Mount Carmel Health Plan , Inc

**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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

**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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

**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 Payments	3  Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2009 .....										
2. 2010 .....										
3. 2011 .....										
4. 2012 .....										
5. 2013 .....										

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

Section A - Paid Health Claims - Federal Employees Health Benefit Plan

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Federal Employees Health Benefit Plan

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

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

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2009 .....										
2. 2010 .....										
3. 2011 .....										
4. 2012 .....										
5. 2013 .....										



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

Section A - Paid Health Claims - Title XVIII Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior					
2. 2009	199,261,694	17,403,158	(1,165)	(1,223)	(21,841)
3. 2010	X X X	243,773,396	16,317,869	(7,457)	(12,420)
4. 2011	X X X	X X X	221,660,811	18,172,480	459
5. 2012	X X X	X X X	X X X	229,204,157	17,377,397
6. 2013	X X X	X X X	X X X	X X X	276,789,870

Section B - Incurred Health Claims - Title XVIII Medicare

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior					
2. 2009	199,261,694	17,403,158	(1,165)	(1,223)	(21,841)
3. 2010	X X X	243,148,404	16,317,869	(7,457)	(12,420)
4. 2011	X X X	X X X	224,143,413	18,172,480	459
5. 2012	X X X	X X X	X X X	230,630,852	17,377,397
6. 2013	X X X	X X X	X X X	X X X	282,432,648

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

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2009	310,643,115	262,528,478			262,528,478	84.511			262,528,478	84.511
2. 2010	310,249,235	261,556,505			261,556,505	84.305			261,556,505	84.305
3. 2011	340,863,947	281,408,148			281,408,148	82.557			281,408,148	82.557
4. 2012	359,279,198	291,034,049			291,034,049	81.005			291,034,049	81.005
5. 2013	424,839,161	354,217,004	9,186,816	2.594	363,403,820	85.539	25,162	263	363,429,245	85.545

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Mount Carmel Health Plan , Inc

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

**(000 Omitted)**

**Section A - Paid Health Claims - Title XIX Medicaid**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

**Section B - Incurred Health Claims - Title XIX Medicaid**

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

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

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2009 .....										
2. 2010 .....										
3. 2011 .....										
4. 2012 .....										
5. 2013 .....										

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Mount Carmel Health Plan , Inc

**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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

**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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....					
2. 2009 .....					
3. 2010 .....	X X X				
4. 2011 .....	X X X	X X X			
5. 2012 .....	X X X	X X X	X X X		
6. 2013 .....	X X X	X X X	X X X	X X X	

**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 Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2009 .....										
2. 2010 .....										
3. 2011 .....										
4. 2012 .....										
5. 2013 .....										

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior					
2. 2009	199,261,694	17,403,158	(1,165)	(1,223)	(21,841)
3. 2010	X X X	243,773,396	16,317,869	(7,457)	(12,420)
4. 2011	X X X	X X X	221,660,811	18,172,480	459
5. 2012	X X X	X X X	X X X	229,204,157	17,377,397
6. 2013	X X X	X X X	X X X	X X X	276,789,870

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior					
2. 2009	199,261,694	17,403,158	(1,165)	(1,223)	(21,841)
3. 2010	X X X	243,148,404	16,317,869	(7,457)	(12,420)
4. 2011	X X X	X X X	224,143,413	18,172,480	459
5. 2012	X X X	X X X	X X X	230,630,852	17,377,397
6. 2013	X X X	X X X	X X X	X X X	282,432,648

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

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2009	310,643,115	262,528,478			262,528,478	84.511			262,528,478	84.511
2. 2010	310,249,235	261,556,505			261,556,505	84.305			261,556,505	84.305
3. 2011	340,863,947	281,408,148			281,408,148	82.557			281,408,148	82.557
4. 2012	359,279,198	291,034,049			291,034,049	81.005			291,034,049	81.005
5. 2013	424,839,161	354,217,004	9,186,816	2.594	363,403,820	85.539	25,162	263	363,429,245	85.545

**Page 13**

Underwriting and Investment Exhibit , Part 2D

**NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... for occupancy of own building) .....		775	11,534		12,309
2. Salaries, wages and other benefits .....	2,521,590	460,566	6,353,249		9,335,405
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....					
4. Legal fees and expenses .....					
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....			1,410,438		1,410,438
7. Traveling expenses .....	1,809	8,056	105,871		115,736
8. Marketing and advertising .....			3,621,697		3,621,697
9. Postage, express, and telephone .....		99,898	1,485,979		1,585,877
10. Printing and office supplies .....		3,798	56,489		60,287
11. Occupancy, depreciation and amortization .....		30,233	449,715		479,948
12. Equipment .....		3,387	50,384		53,771
13. Cost or depreciation of EDP equipment and software .....					
14. Outsourced services including EDP, claims, and other services .....	299,198	5,749,186	20,087,138		26,135,522
15. Boards, bureaus and association fees .....			101,722		101,722
16. Insurance, except on real estate .....		8,319	123,752		132,071
17. Collection and bank service charges .....					
18. Group service and administration fees .....					
19. Reimbursements by uninsured accident and health plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					
23.2 State premium taxes .....					
23.3 Regulator authority licenses and fees .....					
23.4 Payroll taxes .....					
23.5 Other (excluding federal income and real estate taxes) .....			300,463		300,463
24. Investment expenses not included elsewhere .....				713,348	713,348
25. Aggregate write-ins for expenses .....					
26. Total expenses incurred (Line 1 to Line 25) .....	2,822,597	6,364,218	34,158,431	713,348	(a) 44,058,594
27. Less expenses unpaid December 31, current year .....			6,380,967		6,380,967
28. Add expenses unpaid December 31, prior year .....			3,793,867		3,793,867
29. Amounts receivable relating to uninsured accident and health plans, prior year .....					
30. Amounts receivable relating to uninsured accident and health plans, current year .....					
31. Total expenses paid (Line 26 minus Line 27 plus Line 28 minus Line 29 plus Line 30) .....	2,822,597	6,364,218	31,571,331	713,348	41,471,494
DETAILS OF WRITE-INS					
2501. ....					
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....					

(a) Includes management fees of \$ ..... 8,691,050 to affiliates and \$ .....to non-affiliates .

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 1,748,461	2,002,766
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,624,371	1,954,565
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	982,831	1,024,916
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 49,832	60,282
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	4,405,495	5,042,529
11. Investment expenses		(g) 713,348
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Line 11 through Line 15)		713,348
17. Net investment income (Line 10 minus Line 16)		4,329,181
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

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) (Col. 1 + Col. 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds	572,206		572,206		
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)	96,106		96,106		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	16,014,911	(1,510,774)	14,504,137	4,196,109	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	16,683,223	(1,510,774)	15,172,449	4,196,109	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED 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) .....			
2. Stocks (Schedule D): .....			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B): .....			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A): .....			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1) , cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Line 1 to Line 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premiums and considerations: .....			
15.1 Uncollected premiums and agents' balances in the course of collection .....			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums .....			
16. Reinsurance: .....			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....	3,420,162	2,735,791	(684,371)
25. Aggregate write-ins for other-than-invested assets .....	793,511	584,229	(209,282)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) .....	4,213,673	3,320,020	(893,653)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Line 26 and Line 27) .....	4,213,673	3,320,020	(893,653)
DETAILS OF WRITE-INS .....			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) .....			
2501. Prepaid expenses .....	793,511	582,278	(211,233)
2502. Leasehold Improvements .....		1,951	1,951
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	793,511	584,229	(209,282)



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 .....	29,961	36,901	37,085	37,276	37,669	445,756
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....						
7. Total .....	29,961	36,901	37,085	37,276	37,669	445,756
DETAILS OF WRITE-INS						
0601.....						
0602.....						
0603.....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) .....						

## NOTES TO FINANCIAL STATEMENTS

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### MOUNT CARMEL HEALTH PLAN, INC. (A Wholly Owned Subsidiary of Mount Carmel Health System)

#### NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization and Business** — Mount Carmel Health Plan, Inc. (the “Plan”) was incorporated on August 7, 1996, as a subsidiary of Mount Carmel Health System (the “Corporation”). The Plan was organized as a for-profit network model health maintenance organization (HMO) to provide health care services to enrolled subscribers (“enrollees”) for a fixed premium. The product being offered is MediGold, which is a Medicare Advantage contract with the Centers for Medicare & Medicaid Services (CMS). Enrollment in the Plan began on April 1, 1997. As of December 31, 2013 and 2012, all enrollees to date have been participants in the MediGold program. The Plan has contracts with various health care providers, including hospitals, freestanding facilities, and physician practices owned and/or operated by the Corporation or its subsidiaries, as well as independent physicians, hospitals, multispecialty group practices, and ancillary providers. The Corporation owns and operates four acute care hospitals and a surgical hospital in Columbus, Ohio (Mount Carmel West, Mount Carmel East, St. Ann’s Hospital, and Mount Carmel New Albany Surgical Hospital). These hospitals are major providers of service to subscribers of the Plan. On January 23, 2007, the Internal Revenue Service (IRS) granted the Plan exemption from income taxation under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(4) effective retroactively to April 1, 2004.

The accompanying statutory basis financial statements present the financial condition, results of operations, changes in capital and surplus, and cash flows for the Plan and are not necessarily indicative of what the financial condition, results of operations, changes in capital and surplus, and cash flows would have been if the Plan had been operated as an unaffiliated corporation during the periods presented.

**Basis of Presentation** — The accompanying statutory basis financial statements have been prepared in conformity with the National Association of Insurance Commissioners (NAIC) *Annual Statement Instructions and Accounting Practices and Procedures Manual* and the permitted practices of the Ohio Department of Insurance (ODI), which vary in some respects from accounting principles generally accepted in the United States of America (GAAP). The significant departures from GAAP include the following:

- a. Investments in bonds are reported at amortized cost or market value based on their NAIC rating; for GAAP, such fixed maturity investments would be designated at purchase as held-to-maturity, trading, or available-for-sale. Held-to-maturity fixed investments would be reported at amortized cost and the remaining fixed maturity investments would be reported at fair value with unrealized holding gains and losses reported in operations for those designated as trading and as a separate component of member’s equity for those designated as available-for-sale.
- b. Certain assets designated as “nonadmitted,” are excluded from the accompanying statutory basis statements of admitted assets, liabilities, capital and surplus and are charged directly to capital and surplus. As of December 31, 2013 and 2012, the Plan’s nonadmitted assets consisted

## NOTES TO FINANCIAL STATEMENTS

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of health care receivables aged in excess of 90 days, building improvements, nonoperating software, prepaid assets, and furniture and fixtures not used in the direct delivery of care. The Plan had nonadmitted assets of \$4,213,673 and \$3,320,020 as of December 31, 2013 and 2012, respectively.

- c. Outstanding checks in excess of cash balances are required to be presented as cash overdrafts in the statutory basis financial statements as opposed to being reflected as other liabilities under GAAP.
- d. The presentation of the statutory basis statements of cash flows differ from GAAP such that cash, cash equivalents, and short-term investments in the statutory basis statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and cash equivalents with maturities of three months or less. The statutory basis statements of cash flows are prepared in accordance with the NAIC guidelines.
- e. Under NAIC Statutory Accounting Principles (SAP), electronic data processing equipment and operating systems are admitted but are limited to 3% of a company's adjusted capital and surplus. Furniture and fixtures not used in the direct delivery of care are considered nonadmitted assets under NAIC SAP.

The statutory basis financial statements reflect no differences between accounting practices prescribed and permitted by ODI and statutory accounting principles promulgated by the NAIC.

**Use of Estimates** — The preparation of statutory basis financial statements in conformity with accounting practices prescribed or permitted by the ODI requires management to make estimates and assumptions that affect amounts reported in the statutory basis financial statements and accompanying notes. Such estimates and assumptions could change in the future, as more information becomes known that could impact the amounts reported and disclosed herein.

**Cash, Cash Equivalents, and Short-Term Investments** — The Plan considers all highly liquid instruments with maturities of three months or less at date of purchase to be cash equivalents. Short-term investments are all investments with remaining maturities of one year or less at the time of acquisition.

**Bonds** — Investments are reported at cost adjusted for amortization of premiums or discounts. Amortization is calculated using the effective yield method. Realized gains and losses, determined on the specific-identification basis, are included in investment income.

**Common Stocks** — Common stocks are recorded at fair value. Changes in unrealized appreciation and depreciation in the value of common stocks are reflected as direct increases or decreases in surplus.

**Premiums Receivable** — Premiums receivable consists of premiums that are due to the Company but not yet paid from, or on behalf of insured groups, and members as of the balance sheet date.

**Furniture and Equipment** — Furniture and equipment is depreciated on a straight-line basis over three to five years. Depreciation expense was \$2,025 and \$5,853 for 2013 and 2012, respectively.

**Liabilities for Unpaid Claims and Claims Adjustment Expenses** — Liabilities for unpaid claims and claim adjustment expenses are actuarial estimates of outstanding claims, including claims IBNR. These

## NOTES TO FINANCIAL STATEMENTS

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estimates are based upon historical claims experience modified for current trends and changes in benefit coverage, which could vary as the claims are ultimately settled.

**Premium Deficiency Reserves** — A liability for premium deficiency losses is an actuarial estimate that is recognized when it is probable that expected claim losses and allocable administrative expenses will exceed future premiums on existing health and other contracts without consideration of investment income. Based on the analysis by our actuaries, a premium deficiency reserve was not required as of December 31, 2013 and 2012.

**CMS Payable** — Beginning January 1, 2006, the Plan began serving as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with CMS through the MediGold products. Pharmacy benefits under Part D plans may vary in terms of coverage levels and out-of-pocket costs for beneficiary premiums, deductibles, and co-insurance. However, all Part D plans must offer either “standard coverage” or its actuarial equivalent (with out-of-pocket threshold and deductible amounts that do not exceed those of standard coverage). These “defined standard” benefits represent the minimum level of benefits required under law. In addition to defined standard plans, the Plan offers other prescription drug plans containing benefits in excess of the standard coverage limits, in many cases for an additional beneficiary premium.

Under the Medicare Part D program, there are six separate elements of payment received by the Plan during the plan year. These payment elements are as follows:

*CMS Premium* — CMS pays a fixed monthly premium per member to the Plan for the entire plan year.

*Member Premium* — Additionally, each member pays a fixed monthly premium to the Plan for the entire plan year.

*Low-Income Premium Subsidy* — For qualifying low-income members, CMS pays some portion or all of the member’s monthly premiums to the Plan on the member’s behalf.

*Catastrophic Reinsurance Subsidy* — CMS pays the Plan a cost reimbursement estimate monthly to fund the CMS obligation to pay approximately 80% of the costs incurred by individual members in excess of the individual annual out-of-pocket maximum of \$4,750. A settlement is made based on actual cost experience subsequent to the end of the plan year.

*Low-Income Member Cost Sharing Subsidy* — For qualifying low-income members, CMS pays on the member’s behalf, some portion or all of a member’s cost-sharing amounts, such as deductibles and coinsurance. The cost-sharing subsidy is funded by CMS through monthly payments to the Plan. The Plan administers and pays the subsidized portion of claims on behalf of CMS and a settlement payment is made between CMS and Plan based on actual claims subsequent to the end of the plan year.

*CMS Risk Share* — The Plan has settlements with CMS based on whether the ultimate per member per month benefit costs of any Medicare Part D regional plan varies more than 2.5 percentage points above or below the level estimated in the original bid submitted by the Plan and approved by CMS in 2013 and 2012. The estimated risk share adjustment of \$1,951,926 and \$(2,303,256) in 2013 and 2012, respectively, is recorded as a change in unearned premium in the statutory basis statements of operations and amounts held under uninsured health plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The CMS Premium, the Member Premium, and the Low-Income Premium Subsidy represent payments for the Plan’s insurance risk coverage under the Medicare Part D program, and therefore, are recorded

## NOTES TO FINANCIAL STATEMENTS

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as net premium revenue in the statutory basis statements of operations, capital and surplus. Net premium revenue is recognized ratably over the period in which eligible individuals are entitled to receive prescription drug benefits. The Plan records premium payments received in advance of the applicable service period as unearned premium revenue.

The Catastrophic Reinsurance Subsidy and the Low-Income Member Cost Sharing Subsidies represent cost reimbursements under the Medicare Part D program. The Plan is fully reimbursed by CMS for costs incurred for these contract elements and, accordingly, there is no insurance risk to the Plan. Amounts received for these subsidies are considered liabilities until settlements are calculated, based on claim payments.

Pharmacy benefit costs and administrative costs under the contract are expensed as incurred and are recognized in health care benefit expenses and operating expenses, respectively, in the statutory basis statements of operations, capital and surplus. Pharmacy benefit costs are recognized net of rebates.

On March 1, 2011, CMS notified the Plan that it was selected for a financial audit of records that support the 2009 financial activity associated with the Medicare Advantage and Prescription Drug programs. On April 17, 2012, CMS issued the audit report, and the CMS auditors issued the Plan an unqualified opinion. The results of this audit did not have any financial impact to the plan.

**Risk Adjustment Data Validation Audits (“RADV audits”)** — CMS adjusts capitation payments to Medicare Advantage and Medicare Part D plans according to the predicted health status of each beneficiary, as supported by data provided by health care providers. The Plan collects claim and encounter data from providers who the Plan generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted by the Plan and member demographic information.

CMS performs RADV audits of selected Medicare Advantage health plans to validate the coding practices of and supporting documentation maintained by health care providers. These audits involve a review of medical records maintained by providers and may result in an adjustment to the payment made to the Plan. The Plan has not been selected for a RADV audit by CMS as of the date of issuance of the 2013 statutory basis financial statements. The payment years open for audit include fiscal years 2013 and prior.

In February 2012, CMS released the final RADV audit and payment adjustment methodology. The methodology contains provisions allowing contract-level payment adjustments for the year audited using an extrapolation of the “error rate” identified in audit samples. Potential payment adjustments could have a material adverse effect on the Plan’s results of operations, financial position, and cash flows.

In November, 2013, the Plan received notification that it was selected for the RADV audit to validate the accuracy of the CY2011 Medicare Part C risk adjustment data and payments. 201 Plan members and their associated 539 hierarchical condition categories (HCC) were selected for this validation audit and the Plan is preparing the documentation with the assistance of consultants to guide the Plan through this effort. The RADV audit timeline extends beyond the annual filing deadline of February 28, 2014.

**Minimum Security Requirements** — Under the laws of the State of Ohio, the Plan is required to provide a minimum security deposit of \$400,000. As additional insolvency protection against uncovered balances, CMS’s Office of Managed Care has required that the Plan’s restricted reserves held in trust

## NOTES TO FINANCIAL STATEMENTS

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total \$1,460,000. CMS has allowed the deposit to be held by the state in a similar manner to the statutory security deposit required by the State of Ohio. The Plan has satisfied both requirements by depositing \$2,871,606 and \$2,888,529 in a trustee account in 2013 and 2012, respectively. These deposits are included in bonds in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

**Minimum Net Worth** — Under the laws of the State of Ohio, the Plan is required at all times to maintain total admitted assets equal to at least 110% of its liabilities. The required minimum net worth is \$1,200,000. The Plan has satisfied the minimum net worth requirements for 2013 and 2012.

**Subscriber Premiums** — Subscriber premiums are included in income in the period earned. The unearned portion of premiums are recorded as unearned premiums and subsequently credited to income as earned during the coverage period.

**Member Premiums** — The Plan charges a monthly premium to the individual members enrolled under its Medicare Advantage contract. Member premiums are included in income in the period earned.

**Medical Costs Incurred** — Claims are charged to income based upon the date services are rendered and represent the estimated remaining ultimate net cost of unpaid claims, both reported and unreported, during the year. The Plan does not discount claim reserves. The reserves for unpaid claims are estimated using an actuarially determined cost model. Those estimates are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for claims are adequate. The estimates are reviewed and adjusted, as necessary, as experience develops or new information becomes known; such adjustments are reflected in operating results in the period in which the change in estimate is identified.

**Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Plan's existing products in new markets and offerings of new products, both of which may restrict the Plan's ability to expand its business.

**Risk-Based Capital Requirements** — Health insurance companies are subject to certain Risk-Based Capital (RBC) requirements as specified by the Ohio Department of Insurance. Under these requirements, the amount of capital and surplus maintained by a health insurance company is to be determined based on the various risk factors. Beginning January 1, 2001, the Plan was required by the State of Ohio to comply with the RBC requirements and maintain at least 200% of the authorized control level. As of December 31, 2013 and 2012, the Plan was in compliance with the RBC requirements.

**National Health Care Reform** — In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (PPACA) were enacted. The structure of reform changes the fundamentals of health care and health insurance dynamics, including coverage requirements; insurance rules around issuance, rating, competition; and regulatory and compliance requirements.

The establishment of a minimum medical loss ratio (MLR) took effect in January 2011. Other significant changes, which will take effect over a multiyear period, with many important provisions taking effect in 2014, include: prohibiting health insurers from denying coverage or refusing claims based on preexisting conditions, expanding Medicaid eligibility, subsidizing individual market and certain small group insurance premiums, providing incentives for businesses to provide health care

## NOTES TO FINANCIAL STATEMENTS

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benefits, establishing health insurance exchanges, makes various changes to Medicare payment formulas, and provides support for public health and medical research. MLR requirements for Medicare Advantage plans will be in effect for 2014.

**New Accounting Standards** — On March 26, 2011, nonsubstantive revisions to Statement of Statutory Accounting Principles (SSAP) No. 100, *Fair Value Measurements*, were made and are effective on January 1, 2012. The nonsubstantive revisions require fair value measurement at the reporting date; separate line item disclosures of purchases, sales, issues, and settlements; disclosure of fair value hierarchy and the method used to obtain the fair value measurement of all items in which fair value is disclosed within the annual statement investment schedules; and disclosure in the notes to the financial statements, as of each date for which a statement of financial position is presented, the aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in its entirety fall. The adoption of SSAP No. 100 revisions required the Plan to provide additional disclosures for fair value measurements in 2012 (see Note 5).

In October 2010, the NAIC issued SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets — Revised*, effective for all guarantees issued or outstanding as of December 31, 2011. The revised standard requires entities to recognize, at the inception of a guarantee, a liability for the obligations it has undertaken in issuing the guarantee, even if the likelihood of having to make payments under the guarantee is remote. The adoption had no impact to the overall statutory basis financial condition, results of operations, and cash flows of the Plan.

On March 26, 2011, the Statutory Accounting Principles Working Group issued a nonsubstantive proposal #2011-11 providing clarification that SSAP No. 66, *Retrospectively Rated Contracts*, should be followed when accounting for Medical Loss Ratio (MLR) rebate liabilities so that the MLR rebate accrual is recorded as a reduction to the premium revenue for financial reporting purposes. The clarification did not have a material impact to the Plan's statutory basis financial condition or results of operations for the years ended December 31, 2013 and 2012.

With an effective date of January 1, 2012, SSAP No. 101, *Income Taxes*, replaces SSAP No. 10R. SSAP No. 101 changes the recognition of deferred taxes in several ways. First, under SSAP No. 10R, companies can elect to admit deferred tax assets (DTAs) that they expect to realize within either one or three years of the balance-sheet date, provided certain RBC levels are met and the total amount of admitted DTAs under this step was less than a stated percentage of adjusted capital. SSAP No. 101 instead provides two realization threshold limitation tables, which dictate the number of years of DTA reversals required to be considered (now 0–3) and the percentage of adjusted capital limitation (now 0–15%). Second, SSAP No. 101 will require uncertain tax positions to be evaluated on a “more-likely-than-not” standard, as opposed to the “probable” standard previously contained in SSAP No. 10R; also, under SSAP No. 101, companies must now assume that they will be subject to tax examinations by relevant authorities. Finally, tax planning strategies will now expressly allow both for determining the admissibility tests as well as for determination of valuation allowances, provided that the strategies meet the “more-likely-than-not” standard. In years subsequent to December 31, 2012, the Plan will change recognition of deferred taxes to the guidance under SSAP No. 101. The Plan has reviewed the new provisions under SSAP No. 101 and there was no material effect changing from SSAP No. 10R to SSAP No. 101 on its statutory basis financial statements.

## 2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Plan had no accounting changes or corrections of errors during 2013 and 2012.

NOTES TO FINANCIAL STATEMENTS

3. BUSINESS COMBINATIONS AND GOODWILL

The Plan was not party to a business combination during the years ended December 31, 2013 and 2012, and does not carry goodwill on its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

The Plan did not discontinue any operations during 2013 and 2012.

5. CASH EQUIVALENTS AND INVESTMENTS

As of December 31, 2013 and 2012, the amortized cost, fair value, and gross unrealized holding gains and losses of the Plan’s cash equivalents and investments, excluding (overdrafts) cash of approximately \$5,883,240 and \$(2,614,182), respectively, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Statutory Basis Value
2013					
U.S. Treasury and agency securities	\$ 87,052,498	\$ 1,337,436	\$ (356,366)	\$ 88,033,568	\$ 87,052,498
Mortgage-backed securities	14,011,919	542,277	(49,907)	14,504,289	14,011,919
Fixed-income bonds	56,817,938	1,648,558	(1,971,784)	56,494,712	56,817,938
Common stock	51,822,545	15,776,246		67,598,791	67,598,791
Commercial paper, repurchase agreements, and money market funds	72,896,718			72,896,718	72,896,718
Total marketable securities	<u>\$ 282,601,618</u>	<u>\$ 19,304,517</u>	<u>\$ (2,378,057)</u>	<u>\$ 299,528,078</u>	<u>\$ 298,377,864</u>
2012					
U.S. Treasury and agency securities	\$ 110,518,178	\$ 2,919,941	\$ (9,583)	\$ 113,428,536	\$ 110,518,178
Mortgage-backed securities	16,608,777	1,050,320		17,659,097	16,608,777
Fixed-income bonds	23,253,167	2,617,256		25,870,423	23,253,167
Common stock	44,030,762	11,294,558		55,325,320	55,325,320
Commercial paper, repurchase agreements, and money market funds	86,338,104			86,338,104	86,338,104
Total marketable securities	<u>\$ 280,748,988</u>	<u>\$ 17,882,075</u>	<u>\$ (9,583)</u>	<u>\$ 298,621,480</u>	<u>\$ 292,043,546</u>

Gross realized gains on sales of all marketable securities were \$17,133,606 and \$9,008,680 in 2013 and 2012, respectively. Gross realized losses on sales of all marketable securities were \$450,383 and \$353,616 in 2013 and 2012, respectively. Proceeds on the sale of bond securities were \$45,292,137



NOTES TO FINANCIAL STATEMENTS

and \$34,981,301 in 2013 and 2012, respectively.

A summary of the fair value and statutory basis value of the Plan’s investments in U.S. Treasury and agency securities, mortgage-backed securities, and fixed-income bonds as of December 31, 2013, by contractual maturity, is as follows:

	Fair	Statutory
	Value	Basis
	Value	Value
Due one year or less	\$ 19,948,802	\$ 19,860,302
Due after one year through five years	49,084,378	47,138,786
Due after five years through 10 years	51,057,815	52,418,793
Due after 10 years through 20 years	1,355,673	1,372,876
Due after 20 years	9,416,271	8,921,970
Total	\$130,862,939	\$129,712,727

The expected maturities in the foregoing table may differ from the contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties. For the years ended December 31, 2013 and 2012, all of the Plan’s investment income was comprised of interest and dividend income.

In accordance with the Plan’s impairment policy, securities that have a fair market value that is below amortized cost are considered impaired and are analyzed and reviewed by management to determine if the impairment is other-than-temporary (OTTI).

For debt securities, an OTTI exists when a credit loss is determined to exist for the underlying security or the Plan has the intent to sell the security before anticipated recovery. A credit loss for impairment purposes occurs when the Plan does not anticipate the full recovery of amortized cost. Specific criteria for evaluating debt securities for impairment include length of time and extent to which the fair market value was below carrying value, NAIC ratings, interest coverage ratios, and ratings outlook. The write-down to fair market value of debt securities resulted in \$0 in 2013 and 2012 of OTTI losses, respectively.

For equity securities, the Plan evaluates whether it has the intent and ability to hold the security for a sufficient period of time to allow for a full recovery in value. The OTTI write-downs to fair market value for equity securities resulted in \$1,510,774 and \$2,646,011 in 2013 and 2012, respectively, of losses. OTTI write-downs are reported in net investment income on the statutory basis statement of operations (Note 7).

For loan-backed securities, if the Plan has the ability and intent to hold the security to maturity, but does not expect recovery of the carrying value, the credit portion of the decline is recognized as an impairment loss. Interest-related impairments are not recognized as an impairment loss.

For investments with market values below cost that were determined not to have OTTI, as of December 31, 2013, the Plan regularly monitors the existing unrealized losses and evaluates potential impairments to determine if OTTI needs to be recorded. For interest-related securities, excluding loan-backed securities for which declines in market value related to general market movement in

NOTES TO FINANCIAL STATEMENTS

interest rates, securities are not considered impaired unless the Plan has the positive intent to sell the security as of the reporting date.

The following table illustrates the fair value and gross unrealized losses aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2013 and 2012:

	< 1 Year		> 1 Year			
		Gross		Gross		Gross
		Unrealized		Unrealized	Total	Unrealized
	Fair	Holding	Fair	Holding	Fair	Holding
	Value	Losses	Value	Losses	Value	Losses
2013						
U.S. Treasury and agency	\$ 3,830,700	\$ (106,526)	\$ 9,047,647	\$ (249,840)	\$ 12,878,347	\$ (356,366)
Mortgage-backed securities	1,614,432	(825)	1,938,188	(49,082)	3,552,620	(49,907)
Fixed-income bonds	31,011,176	(1,812,477)	2,075,717	(159,307)	33,086,893	(1,971,784)
Common stocks						
Totals	\$ 36,456,308	\$ (1,919,828)	\$ 13,061,552	\$ (458,229)	\$ 49,517,860	\$ (2,378,057)
	< 1 Year		> 1 Year			
		Gross		Gross	Total	Gross
		Unrealized		Unrealized	Fair	Unrealized
	Fair	Holding	Fair	Holding	Fair	Holding
	Value	Losses	Value	Losses	Value	Losses
2012						
U.S. Treasury and agency	\$ 6,522,690	\$ (9,583)	\$ -	\$ -	\$ 6,522,690	\$ (9,583)
Mortgage-backed securities						
Fixed-income bonds						
Common stocks						
Totals	\$ 6,522,690	\$ (9,583)	\$ -	\$ -	\$ 6,522,690	\$ (9,583)

The unrealized losses on investments in U.S. Treasury and agency obligations as of December 31, 2013 and 2012, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The contractual cash flows of the U.S. government and agency obligations are either guaranteed by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Plan does not intend to sell the investment until the unrealized loss is fully recovered. Additionally, the Plan evaluated its intent and ability to retain mortgage-backed securities for a period of time sufficient to recover the amortized cost.

Loan-backed securities are stated at amortized cost. Premiums and discounts on loan-backed bonds and structured securities are amortized using the retrospective method based on anticipated prepayments at the date of purchase. Prepayment assumptions are obtained from broker dealer survey values or internal estimates. Changes in estimated cash flows from original purchase assumptions are accounted for using the prospective method.

The Plan recognized impairment of \$0 on securities within the scope of SSAP No. 43R, *Loan-Backed and Structured Securities*, for the years ended December 31, 2013 and 2012, respectively.

The Plan did not have mortgage-backed securities in a continuous unrealized loss position as of December 31, 2012.

NOTES TO FINANCIAL STATEMENTS

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

The Plan has no investments in joint ventures, partnerships, or limited liability companies.

7. INVESTMENT INCOME

Investment income is recorded as it becomes due and payable. Realized gains and losses, determined on the specific-identification basis, are included in investment income.

The components of net investment income earned as of December 31, 2013 and 2012, are as follows:

	2013	2012
Interest	\$ 4,017,613	\$ 3,966,622
Dividends	1,024,916	1,176,663
Realized gains and losses	16,683,223	8,655,064
Impairments	(1,510,774)	(2,646,011)
Total investment income	20,214,978	11,152,338
Investment management fees	(713,348)	(635,098)
Net investment income	<u>\$19,501,630</u>	<u>\$10,517,240</u>

8. DERIVATIVE INSTRUMENTS

The Plan has no derivative instruments.

9. INCOME TAXES

The Plan was incorporated on August 7, 1996, to hold a health insuring corporation (also referred to as an HMO) certificate of authority with the State of Ohio. On January 17, 2007, the Plan amended its articles of incorporation to be a nonprofit corporation in Ohio under Ohio Revised Code Section 1751. On January 23, 2007, the IRS granted the Plan exemption from income taxation under IRC Section 501(a) as an organization described in IRC Section 501(c)(4) effective retroactively to April 1, 2004.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

The Plan leases the services of certain employees and its office space from the Corporation. Additionally, the Corporation also provides certain management, administrative, and marketing services to the Plan. Expenses related to services provided by the Corporation were \$8,691,050 and \$6,985,944 in 2013 and 2012, respectively. Medical expenses incurred by the Plan provided by the Corporation were \$87,260,337 and \$84,759,258 in 2013 and 2012, respectively. The Plan owed the Corporation \$3,707,876 and \$2,426,407 as of December 31, 2013 and 2012, respectively.

The Plan also provides by agreement certain management, administrative and marketing services to Mount Carmel Health Insurance Company (the “Affiliate”). Revenues related to services provided by the Plan to the Affiliate were \$724,224 and \$576,844 in 2013 and 2012, respectively.

## NOTES TO FINANCIAL STATEMENTS

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### 11. DEBT

The Plan had no outstanding debt with third parties during 2013 and 2012.

### 12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

The Plan has no retirement plan, deferred compensation, or other benefit plans.

### 13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

The Plan does not have any special surplus funds, shareholders' dividend restrictions, and quasi-reorganizations as of December 31, 2013 and 2012.

The Plan paid four dividends to the Corporation of \$20,000,000 in 2013, which was subject to the prior approval by the ODI and recorded as a reduction to capital and surplus in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

### 14. CONTINGENCIES

The Plan has no contingencies as of December 31, 2013 and 2012.

### 15. OPERATING LEASES

The Plan is leasing postage mail equipment that was placed in service during 2011 of which the full obligation to the Plan is \$42,822. The Plan paid \$9,882 and \$13,176 for this operating lease in 2013 and 2012, respectively. In September 2013 the original equipment was replaced without further obligation, and leased replacement equipment of which the full obligation is \$74,115. Due to issues with the equipment placed in service in September 2013, the Plan was relieved of its required monthly lease payment from September to December 2013. The lease obligation will begin in January 2014. The balance of collective lease payments is \$74,115 and \$19,764 as of December 31, 2013 and 2012, respectively.

### 16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Plan does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

### 17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

The Plan did not participate in any transfer of receivables, financial assets, or wash sales.

### 18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Medicare Part D is a partially insured plan. The Plan recorded a receivable of \$1,951,926 at December 31, 2013 and a payable of \$2,303,256 at December 31, 2012, for cost reimbursements under the

## NOTES TO FINANCIAL STATEMENTS

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Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies as described in Note 1, CMS Payable.

### 19. DIRECT PREMIUM WRITTEN OR PRODUCED BY MANAGING GENERAL AGENTS OR THIRD-PARTY ADMINISTRATORS

The Plan did not have any direct premiums written or produced by managing general agents or third-party administrators.

### 20. FAIR VALUE

The Plan and its investment managers determine fair values by applying the following guidelines. The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

*Level 1* — Quoted (unadjusted) prices for identical assets in active markets.

*Level 2* — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.)
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data

*Level 3* — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds, short-term investments, preferred stocks, and common stocks (investments) are based on quoted market prices, where available. The Plan obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service 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, non-binding broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Plan's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

NOTES TO FINANCIAL STATEMENTS

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

*U.S. Governments Issuer Obligations* — The estimated fair values of U.S. government issuer obligations are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. Due to the nature of pricing fixed-income securities, management has classified U.S. government issuer obligations primarily as Level 2 investments.

*Debt Securities* — The estimated fair values of debt securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. Due to the nature of pricing fixed-income securities, management has classified debt securities primarily as Level 2 investments.

*Equity Securities* — Fair value estimates for publicly traded equity securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. Nonpublicly traded securities, primarily commingled funds, are classified as Level 2 investments. The classification of equity securities also includes bonds and other fixed-income instruments managed in commingled and mutual funds.

*Money Market Funds* — The carrying value of money market funds approximates fair value due to their short duration. Management has classified money market funds as Level 1 investments.

The Plan did not have any financial assets with a fair value hierarchy of Level 3 as of December 31, 2013 and 2012.

The following table sets forth by level within the fair value hierarchy a summary of the Plan’s investments recorded at fair value as of December 31, 2013 and 2012:

		Fair Values Measured By		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2013	Total			
Common stocks	\$67,598,791	\$67,598,791	\$	\$
Money market funds	<u>2,281,154</u>	<u>2,281,154</u>		
Totals	<u>\$69,879,945</u>	<u>\$69,879,945</u>	<u>\$</u>	<u>\$</u>
2012				
Common stocks	\$55,325,320	\$54,949,508	\$375,812	\$ -
Money market funds	<u>15,388,405</u>	<u>15,388,405</u>		
Totals	<u>\$70,713,725</u>	<u>\$70,337,913</u>	<u>\$375,812</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

The table below reflects the fair values and admitted values of all admitted assets that are financial instruments at December 31, 2013 and 2012. The fair values are also categorized into the three-level fair value hierarchy as described above.

	Admitted Value	Fair Value	(Level 1)	(Level 2)	(Level 3)
2013					
U.S. Treasury and agency securities	\$ 87,052,498	\$ 88,033,568	\$	\$ 88,033,568	\$
Mortgage-backed securities	14,011,919	14,504,289		14,504,289	
Fixed income bonds	<u>56,817,938</u>	<u>56,494,712</u>	<u></u>	<u>56,494,712</u>	<u></u>
Total bonds	<u>157,882,355</u>	<u>159,032,569</u>	<u></u>	<u>159,032,569</u>	<u></u>
Common stocks	<u>67,598,791</u>	<u>67,598,791</u>	<u>67,598,791</u>	<u></u>	<u></u>
Total common stock	<u>67,598,791</u>	<u>67,598,791</u>	<u>67,598,791</u>	<u></u>	<u></u>
Cash, cash equivalents, and short-term investments	<u>78,779,958</u>	<u>78,779,958</u>	<u>8,164,394</u>	<u>70,615,564</u>	<u></u>
Total cash, cash equivalents, and short-term investments	<u>78,779,958</u>	<u>78,779,958</u>	<u>8,164,394</u>	<u>70,615,564</u>	<u></u>
Toal investments	<u>\$304,261,104</u>	<u>\$305,411,318</u>	<u>\$75,763,185</u>	<u>\$229,648,133</u>	<u>\$</u>

	Admitted Value	Fair Value	(Level 1)	(Level 2)	(Level 3)
2012					
U.S. Treasury and agency securities	\$ 110,518,178	\$ 113,428,536	\$ -	\$ 113,428,536	\$ -
Mortgage-backed securities	16,608,777	17,659,097		17,659,097	
Fixed income bonds	<u>23,253,167</u>	<u>25,870,423</u>	<u></u>	<u>25,870,423</u>	<u></u>
Total bonds	<u>150,380,122</u>	<u>156,958,056</u>	<u>-</u>	<u>156,958,056</u>	<u>-</u>
Common stocks	<u>55,325,320</u>	<u>55,325,320</u>	<u>54,949,508</u>	<u>375,812</u>	<u></u>
Total common stock	<u>55,325,320</u>	<u>55,325,320</u>	<u>54,949,508</u>	<u>375,812</u>	<u>-</u>
Cash, cash equivalents, and short-term investments	<u>83,723,922</u>	<u>83,723,922</u>	<u>12,774,223</u>	<u>70,949,699</u>	<u></u>
Total cash, cash equivalents, and short-term investments	<u>83,723,922</u>	<u>83,723,922</u>	<u>12,774,223</u>	<u>70,949,699</u>	<u>-</u>
Toal investments	<u>\$289,429,364</u>	<u>\$296,007,298</u>	<u>\$67,723,731</u>	<u>\$228,283,567</u>	<u>\$ -</u>

There were no financial instruments in which it was not practicable to estimate fair value.

21. OTHER ITEMS

The Plan did not encounter any extraordinary items during 2012.

## NOTES TO FINANCIAL STATEMENTS

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The Plan has no troubled debt restructuring.

The Plan routinely evaluates the collectability of all receivable amounts included within the statutory basis statements of admitted assets, liabilities, and capital and surplus. Reserves are established for those amounts where collectability is uncertain. Based on the Plan's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Plan's financial condition.

### **22. SUBSEQUENT EVENTS**

The Plan has evaluated subsequent events through March 1, 2014, which is the date these statutory basis financial statements were submitted. There were no events subsequent to March 1, 2014, that require disclosure.

CMS notified the Plan on April 17, 2013, that it will be subject to a financial audit of the 2011 fiscal year, however such audit has not been finalized as of date of issuance of the 2013 statutory basis financial statements. An estimate of the impact of the CMS audit cannot be made for the 2012 and 2011 statutory basis financial statements.

### **23. REINSURANCE**

The Plan does not have any reinsurance agreements in place as of December 31, 2013 or 2012.

### **24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

Estimated accrued retrospective premiums due to (from) the Plan are recorded in uncollected premiums and considerations or aggregate health policy reserves on the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in unearned premium reserves or net premium income on the statutory basis statements of operations.

The Plan does not have any other retrospectively rated contracts subject to redetermination as of December 31, 2013 or 2012.

### **25. CHANGE IN INCURRED LOSSES**



NOTES TO FINANCIAL STATEMENTS

The Plan provided for claims incurred but unreported and the cost of settling these claims based on the actuarially determined cost model. Estimates are adjusted as changes in these factors occur and such adjustments are reported in the period of determination. Activity in the estimated claim liability as of December 31, 2013 and 2012, is summarized as follows:

	2013	2012
Unpaid claims liabilities — beginning of a year	\$ 20,605,935	\$ 21,197,158
Claims incurred related to:		
Current year	341,429,451	272,279,096
Prior years	17,343,596	18,163,730
Total claims incurred during the current year	358,773,047	290,442,826
Paid claims related to:		
Current year	335,061,126	271,464,228
Prior years	19,368,861	20,205,762
Total claims paid during the current year	354,429,987	291,669,990
Change in healthcare receivables	300,906	650,459
Change in claim adjustment expenses	(87,923)	(14,518)
Unpaid claim liabilities — end of year	\$ 25,161,978	\$ 20,605,935

Claims incurred and claims paid include amounts incurred and amounts paid under the Plan’s Medicare Part D program described in Note 1 — Summary of Significant Accounting Policies. The Plan uses member months, hospitalization utilization, paid claims, and completion factors based on historical payment patterns to estimate incurred claims. Changes in payment patterns and claims trends can result in changes to prior years’ claims estimates. Changes in estimates of unpaid claims reported as “incurred related to prior years” in the schedule above reflect revisions in estimates of medical cost trends and changes in claims processing patterns.

26. INTERCOMPANY POOLING ARRANGEMENTS

The Plan did not have any intercompany pooling arrangements in 2013 or 2012.

27. STRUCTURED SETTLEMENTS

The Plan did not have structured settlements in 2013 or 2012.

28. HEALTH CARE RECEIVABLES

The Plan had admitted pharmacy rebate receivables of \$1,889,881 and \$1,547,973 as of December 31, 2013 and 2012, respectively. The Plan had admitted claim overpayment receivables of \$9,361 and \$50,363 as of December 31, 2013 and 2012, respectively.

## NOTES TO FINANCIAL STATEMENTS

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The Plan collected \$6,879,675 and \$7,646,366 in pharmacy rebates during 2013 and 2012, respectively.

The Plan did not have any material risk-sharing receivables as of December 31, 2013 or 2012.

### **29. PARTICIPATING POLICIES**

The Plan did not have any participating contracts in 2013 or 2012.

### **30. PREMIUM DEFICIENCY RESERVES**

The Plan did not have a liability for premium deficiency reserves, as of December 31, 2013 and 2012, respectively. Premium deficiency reserves would be included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Plan did not consider anticipated investment income when calculating its assessment for premium deficiency reserves.

### **31. ANTICIPATED SALVAGE AND SUBROGATION**

Due to the type of business being written, the Plan has no salvage. As of December 31, 2013 and 2012, the Plan had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

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**SUPPLEMENTAL SCHEDULES**

NOTES TO FINANCIAL STATEMENTS

MOUNT CARMEL HEALTH PLAN, INC.  
(A Wholly Owned Subsidiary of Mount Carmel Health System)

STATUTORY BASIS SUPPLEMENTAL SCHEDULE OF INVESTMENT RISK INTERROGATORIES  
AS OF DECEMBER 31, 2013

The Plan’s total admitted assets were \$327,100,037 as of December 31, 2013.

1. The 10 largest exposures to a single issuer/borrower/investment, by investment category, excluding (i) U.S. government, U.S. government agency securities, and those U.S. government money market funds listed in the Appendix to the SVO Purposes and Procedures Manual as exempt as of December 31, 2013, are as follows:

		Percentage of	
		Total Admitted	
Amount		Assets	
\$7,752,892	PNC FUNDS — INTERNATIONAL EQUITY FUND I	2.370 %	
2,149,344	NIEUW AMSTERDAM RCVBLS CO DISC C/P	0.660	
2,099,145	BNP PARIBAS FINANCE DISC C/P	0.640	
1,669,792	REGENCY MARKETS NO LLC CP DISC C/P	0.510	
1,669,578	STANDARD CHARTERED BK US DISC C/P	0.510	
1,669,165	ABBAY NATL NORTH AMER LLC DISC C/P	0.510	
1,669,150	NESTLE CAP CORP DISC C/P	0.510	
1,649,435	WELLS FARGO & CO NEW DISC C/P	0.500	
1,649,355	CATHOLIC HEALTH INIT DISC C/P	0.500	
1,649,299	GOVCO INC DISC C/P	0.500	

2. The amounts and percentages of the Plan’s total admitted assets held in bonds by NAIC rating are as follows:

	Gross	Percentage of	
	Investment	Total Admitted	
Investment Category by NAIC Rating	Holdings	Assets	
NAIC-1	\$ 68,033,979	20.80%	
NAIC- IFE	48,908,583	14.95	
NAIC- 2FE	12,770,170	3.90	
	\$129,712,732		

All other interrogatories in Appendix A-001 of the NAIC *Accounting Practices and Procedures Manual* are not included herein as they are not applicable.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Mount Carmel Health Plan , Inc

NOTES TO FINANCIAL STATEMENTS

MOUNT CARMEL HEALTH PLAN, INC.				
(A Wholly Owned Subsidiary of Mount Carmel Health System)				
STATUTORY BASIS SUPPLEMENTAL SUMMARY OF INVESTMENTS SCHEDULE				
AS OF DECEMBER 31, 2013				
			Admitted Assets	
	Gross		as Reported in the	
	Investment Holdings*		Annual Statement	
Investment Categories	Amount	Percent	Amount	Percent
Bonds:				
U.S. treasury securities	\$ 46,430,525	15.26 %	\$ 46,430,525	15.26 %
U.S. government agency and corporate obligations (excluding mortgage-backed securities) — issued by U.S. government agencies	12,490,150	4.11	12,490,150	4.11
Mortgage-backed securities (includes residential and commercial MBS) — pass-through securities issued by FNMA and FHLMC	13,974,113	4.59	13,974,113	4.59
Other debt and other fixed-income securities — unaffiliated domestic securities	56,817,938	18.67	56,817,938	18.67
Equity interests:				
Publically traded equity securities (excluding preferred stocks)	67,598,791	22.22	67,598,791	22.22
Other equity securities				
Receivables for securities				
Cash, cash equivalents, and short-term investments	106,949,587	35.15	106,949,587	35.15
Total investments	\$304,261,104	100.00 %	\$304,261,104	100.00 %
* Gross investment holdings as valued in compliance with NAIC SAP.				

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?  
  
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes ( ) No (X)

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 (X)

1.3

State Regulating?

.....

2.1

Has any change been made during the year of this statement in the charter , by-laws , articles of incorporation , or deed of settlement of the reporting entity?

Yes ( ) No (X)

2.2

If yes, date of change:

.....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008

3.2

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

12/31/2008

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) .

06/12/2009

3.4

By what department or departments?  
.....

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 (X)

3.6

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

Yes (X) 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 (X)

4.12

renewals?

Yes ( ) No (X)

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 (X)

4.22

renewals?

Yes ( ) No (X)

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

GENERAL

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

5.2 If yes, provide the name of entity, the 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.

<sup>1</sup> Name of Entity	<sup>2</sup> NAIC Company Code	<sup>3</sup> State of Domicile
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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 foregin person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

<sup>1</sup> Nationality	<sup>2</sup> Type of Entity
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8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No ( )

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 ( )

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

<sup>1</sup> Affiliate Name	<sup>2</sup> Location (City, State)	<sup>3</sup> FRB	<sup>4</sup> OCC	<sup>5</sup> FDIC	<sup>6</sup> SEC
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GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

GENERAL

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche LLP, 200 Renaissance Center, Suite 3900, Detroit, MI 48243
- 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 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?  
Timothy D. Gustafson, Principal, Deloitte Consulting LLP, 111 S. Wacker Drive, Chicago, IL 60606
- 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 (X)
- 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) .
- 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 (X)
- 15.2 If the response to 15. 1 is yes , indicate the American Bankers Association (ABA) Routing Number and the name of 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
--	--	--	-----------------



GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

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 (X) No ( )
17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes (X) No ( )
18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes (X) No ( )

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes ( ) No (X)
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11

To directors or other officers

\$ .....

20.12

To stockholders not officers

\$ .....

20.13

Trustees, supreme or grand (Fraternal only)

\$ .....
- 20.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21

To directors or other officers

\$ .....

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 (X)
- 21.2

If yes, state the amount thereof at December 31 of the current year:

21.21

Rented from others

\$ .....

21.22

Borrowed from others

\$ .....

21.23

Leased from others

\$ .....

21.24

Other

\$ .....
- 22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes ( ) No (X)
- 22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$ .....

22.22

Amount paid as expenses

\$ .....

22.23

Other amounts paid

\$ .....
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes (X) No ( )
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ ..... 81,876

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

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 (X) No ( )

24.02

If no , give full and complete information relating thereto:  
.....  
.....

24.03

For the 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)  
.....  
.....

24.04

Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions?

Yes ( ) No ( ) N/A (X)

24.05

If answer to 24.04 is YES , report amount of collateral for conforming programs .

\$ .....

24.06

If answer to 24.04 is NO , report amount of collateral for other programs .

\$ .....

24.07

Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ( ) No ( ) N/A (X)

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ( ) No ( ) N/A (X)

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 (X)

24.10

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

24.101

Total fair value of reinvented collateral assets reported on Schedule DL , Parts 1 and 2

\$ .....

24.102

Total book adjusted /carrying value of reinvested collateral assets reported on Schedule DL , Parts 1 and 2

\$ .....

24.103

Total payable for securities lending reported on the liability page

\$ .....

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 ( ) No (X)

25.2

If yes , state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$ .....

25.22

Subject to reverse repurchase agreements

\$ .....

25.23

Subject to dollar repurchase agreements

\$ .....

25.24

Subject to reverse dollar repurchase agreements

\$ .....

25.25

Pledged as collateral

\$ .....

25.26

Placed under option agreements

\$ .....

25.27

Letter stock or securities restricted as to sale

\$ .....

25.28

On deposit with state or other regulatory body

\$ .....

25.29

Other

\$ .....

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

INVESTMENT

25.3 For category (25.27) provide the following:

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

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

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

Yes ( ) No ( ) N/A (X)
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ( ) No (X)
- 27.2 If yes, state the amount thereof at December 31 of the current year.

\$ .....
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes (X) No ( )

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

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

PNC Institutional Investments ..... Cleveland, OH .....

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

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

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

INVESTMENT

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
--	-----------	--------------

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 ( )

29.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
-------------------	--------------------------	-----------------------------------

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

1 Name of Mutual Fund (from question 29.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
--	--	---	------------------------

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

INVESTMENT

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	\$ ..... 129,712,727	\$ ..... 130,862,939	\$ ..... 1,150,212
30.2 Preferred stocks .....	\$ .....	\$ .....	\$ .....
30.3 Totals .....	\$ ..... 129,712,727	\$ ..... 130,862,939	\$ ..... 1,150,212

30.4 Describe the sources or methods utilized in determining the fair values:  
Pricing Service or SVO  
.....

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:  
.....  
.....

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

OTHER

33.1 Amount of payments to Trade Associations , service organizations and statistical or Rating Bureaus , if any? \$ ..... 75,067

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
Health Plan Alliance .....	\$ ..... 35,445
Ohio Association of Health Plans .....	\$ ..... 25,000
America's Health Insurance Plans .....	\$ ..... 14,622
.....	\$ .....

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

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

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

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

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

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

## GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

- |                               |  |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|-------------------------------|--|----------------------|---|---|--|--------------|------------|-----------------------|----------------------|----------------------|-------------------------|----------------------|----------------------|-------------------------------|-------------|-------------|-----------------------|---------------------|---------------------|-------------------------|---------------------|---------------------|-------------------------------|-------------|-------------|--|
| 1.1                           | Does the reporting entity have any direct Medicare Supplement Insurance in force?  | Yes ( ) No (X)       |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 1.2                           | If yes, indicate premium earned on U.S. business only.   | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 1.3                           | What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?  | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 1.31                          | Reason for excluding:<br><br>.....<br>.....  |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 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.   | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 1.6                           | Individual policies:   |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | Most current three years:  |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.61 Total premium earned  | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.62 Total incurred claims   | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.63 Number of covered lives   | .....                |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | All years prior to most current three years:   |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.64 Total premium earned  | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.65 Total incurred claims   | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.66 Number of covered lives   | .....                |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 1.7                           | Group policies:  |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | Most current three years:  |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.71 Total premium earned  | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.72 Total incurred claims   | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.73 Number of covered lives   | .....                |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | All years prior to most current three years:   |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.74 Total premium earned  | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.75 Total incurred claims   | \$ .....             |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 1.76 Number of covered lives   | .....                |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 2.                            | Health Test:   |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td></td> <td style="text-align: center;">Current Year</td> <td style="text-align: center;">Prior Year</td> </tr> <tr> <td style="padding-left: 20px;">2.1 Premium Numerator</td> <td style="text-align: right;">\$ ..... 405,202,597</td> <td style="text-align: right;">\$ ..... 359,730,383</td> </tr> <tr> <td style="padding-left: 20px;">2.2 Premium Denominator</td> <td style="text-align: right;">\$ ..... 405,202,597</td> <td style="text-align: right;">\$ ..... 359,730,383</td> </tr> <tr> <td style="padding-left: 20px;">2.3 Premium Ratio (2.1 / 2.2)</td> <td style="text-align: right;">..... 1.000</td> <td style="text-align: right;">..... 1.000</td> </tr> <tr> <td style="padding-left: 20px;">2.4 Reserve Numerator</td> <td style="text-align: right;">\$ ..... 25,161,978</td> <td style="text-align: right;">\$ ..... 20,605,935</td> </tr> <tr> <td style="padding-left: 20px;">2.5 Reserve Denominator</td> <td style="text-align: right;">\$ ..... 25,161,978</td> <td style="text-align: right;">\$ ..... 20,605,935</td> </tr> <tr> <td style="padding-left: 20px;">2.6 Reserve Ratio (2.4 / 2.5)</td> <td style="text-align: right;">..... 1.000</td> <td style="text-align: right;">..... 1.000</td> </tr> </table> |                      | 1 | 2 |  | Current Year | Prior Year | 2.1 Premium Numerator | \$ ..... 405,202,597 | \$ ..... 359,730,383 | 2.2 Premium Denominator | \$ ..... 405,202,597 | \$ ..... 359,730,383 | 2.3 Premium Ratio (2.1 / 2.2) | ..... 1.000 | ..... 1.000 | 2.4 Reserve Numerator | \$ ..... 25,161,978 | \$ ..... 20,605,935 | 2.5 Reserve Denominator | \$ ..... 25,161,978 | \$ ..... 20,605,935 | 2.6 Reserve Ratio (2.4 / 2.5) | ..... 1.000 | ..... 1.000 |  |
|                               | 1  | 2                    |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | Current Year   | Prior Year           |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 2.1 Premium Numerator         | \$ ..... 405,202,597   | \$ ..... 359,730,383 |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 2.2 Premium Denominator       | \$ ..... 405,202,597   | \$ ..... 359,730,383 |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 2.3 Premium Ratio (2.1 / 2.2) | ..... 1.000  | ..... 1.000          |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 2.4 Reserve Numerator         | \$ ..... 25,161,978  | \$ ..... 20,605,935  |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 2.5 Reserve Denominator       | \$ ..... 25,161,978  | \$ ..... 20,605,935  |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 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:<br><br>.....<br>.....  |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 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 (X) No ( )       |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 5.1                           | Does the reporting entity have stop-loss reinsurance?  | Yes ( ) No (X)       |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 5.2                           | If no, explain:<br><br>.....<br>.....  |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 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:<br><br>.....<br>.....   |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 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:<br><br>.....<br>.....   |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 8.                            | Provide the following information regarding participating providers:   |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 8.1 Number of providers at start of reporting year   | ..... 4,873          |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 8.2 Number of providers at end of reporting year   | ..... 5,881          |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 9.1                           | Does the reporting entity have business subject to premium rate guarantees?  | Yes ( ) No (X)       |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
| 9.2                           | If yes, direct premium earned:   |                      |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 9.21 Business with rate guarantees between 15-36 months  | .....                |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |
|                               | 9.22 Business with rate guarantees over 36 months  | .....                |   |   |  |              |            |                       |                      |                      |                         |                      |                      |                               |             |             |                       |                     |                     |                         |                     |                     |                               |             |             |  |

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

10.1

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

Yes ( ) No (X)

10.2

If yes:

10.21

Maximum amount payable bonuses

\$ .....

10.22

Amount actually paid for year bonuses

\$ .....

10.23

Maximum amount payable withholds

\$ .....

10.24

Amount actually paid for year withholds

\$ .....

11.1

Is the reporting entity organized as:

11.12

A Medical Group / Staff Model,

Yes ( ) No (X)

11.13

An Individual Practice Association (IPA) , or

Yes ( ) No (X)

11.14

A Mixed Model (combination of above)?

Yes ( ) No (X)

11.2

Is the reporting entity subject to Minimum Net Worth Requirements?

Yes (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.

\$ ..... 1,200,000

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

.....

.....

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

1
Name of Service Area
Central Ohio and surrounding counties
SW and SE Ohio
Greater Dayton , Ohio area

13.1

Do you act as a custodian for health savings accounts?

Yes ( ) No (X)

13.2

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

\$ .....

13.3

Do you act as an administrator for health savings accounts?

Yes ( ) No (X)

13.4

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

\$ .....



FIVE - YEAR HISTORICAL DATA

	1	2	3	4	5
	2013	2012	2011	2010	2009
BALANCE SHEET (Page 2 and Page 3)					
1. Total admitted assets (Page 2, Line 28)	327,100,037	294,644,171	259,302,640	218,333,675	190,260,214
2. Total liabilities (Page 3, Line 24)	35,677,812	29,901,782	30,230,571	22,780,610	23,768,643
3. Statutory surplus	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
4. Total capital and surplus (Page 3, Line 33)	291,422,225	264,742,389	229,072,069	195,553,065	166,491,571
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	424,839,161	359,279,198	340,863,947	310,249,235	312,634,972
6. Total medical and hospital expenses (Line 18)	358,773,046	290,442,826	283,857,481	260,931,513	262,528,478
7. Claims adjustment expenses (Line 20)	9,186,816	6,841,645	6,215,298	5,505,407	5,255,814
8. Total administrative expenses (Line 21)	34,158,431	23,525,375	19,621,718	17,671,639	18,602,366
9. Net underwriting gain (loss) (Line 24)	22,720,868	38,469,352	31,169,450	26,140,676	26,248,314
10. Net investment gain (loss) (Line 27)	19,501,630	10,517,240	4,867,962	7,460,650	4,017,719
11. Total other income (Line 28 plus Line 29)	1,154,882	614,333	642,830	1,048,731	351,587
12. Net income or (loss) (Line 32)	43,377,380	49,600,925	36,680,242	34,650,057	30,617,620
CASH FLOW (Page 6)					
13. Net cash from operations (Line 11)	14,171,939	44,769,855	40,664,792	(4,058,179)	29,382,214
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	291,422,225	264,742,389	229,072,069	195,553,065	165,938,505
15. Authorized control level risk-based capital	17,942,371	14,499,380	13,863,906	14,244,374	12,146,612
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	37,669	29,961	29,213	27,286	27,721
17. Total members months (Column 6, Line 7)	445,756	359,321	350,259	329,050	330,421
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, Line 3, and Line 5) X 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Line 3 plus Line 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	84.4	80.8	83.3	84.1	84.0
20. Cost containment expenses	0.7	0.6	0.6	0.6	0.6
21. Other claims adjustment expenses	1.5	1.3	1.2	1.2	1.1
22. Total underwriting deductions (Line 23)	94.7	89.3	90.9	91.6	91.6
23. Total underwriting gain (loss) (Line 24)	5.3	10.7	9.1	8.4	8.4
UNPAID CLAIMS ANALYSIS (U and I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	19,368,861	20,205,762	17,950,128	17,783,109	16,396,079
25. Estimated liability of unpaid claims of prior year (Line 13, Column 6)	20,605,935	21,197,158	18,747,825	19,372,817	19,724,302
INVESTMENTS IN PARENT, SUBSIDIARIES, AND AFFILIATES					
26. Affiliated bonds (Schedule D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Schedule D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Line 26 to Line 31					
33. Total investment in parent included in Line 26 to Line 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:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1		Direct Business Only Year to Date							
	Active Status		2	3	4	5	6	7	8	9
			Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Column 2 Through Column 7	Deposit-Type Contracts
1. Alabama .....	AL	N								
2. Alaska .....	AK	N								
3. Arizona .....	AZ	N								
4. Arkansas .....	AR	N								
5. California .....	CA	N								
6. Colorado .....	CO	N								
7. Connecticut .....	CT	N								
8. Delaware .....	DE	N								
9. District of Columbia .....	DC	N								
10. Florida .....	FL	N								
11. Georgia .....	GA	N								
12. Hawaii .....	HI	N								
13. Idaho .....	ID	N								
14. Illinois .....	IL	N								
15. Indiana .....	IN	N								
16. Iowa .....	IA	N								
17. Kansas .....	KS	N								
18. Kentucky .....	KY	N								
19. Louisiana .....	LA	N								
20. Maine .....	ME	N								
21. Maryland .....	MD	N								
22. Massachusetts .....	MA	N								
23. Michigan .....	MI	N								
24. Minnesota .....	MN	N								
25. Mississippi .....	MS	N								
26. Missouri .....	MO	N								
27. Montana .....	MT	N								
28. Nebraska .....	NE	N								
29. Nevada .....	NV	N								
30. New Hampshire .....	NH	N								
31. New Jersey .....	NJ	N								
32. New Mexico .....	NM	N								
33. New York .....	NY	N								
34. North Carolina .....	NC	N								
35. North Dakota .....	ND	N								
36. Ohio .....	OH	L		405,202,597					405,202,597	
37. Oklahoma .....	OK	N								
38. Oregon .....	OR	N								
39. Pennsylvania .....	PA	N								
40. Rhode Island .....	RI	N								
41. South Carolina .....	SC	N								
42. South Dakota .....	SD	N								
43. Tennessee .....	TN	N								
44. Texas .....	TX	N								
45. Utah .....	UT	N								
46. Vermont .....	VT	N								
47. Virginia .....	VA	N								
48. Washington .....	WA	N								
49. West Virginia .....	WV	N								
50. Wisconsin .....	WI	N								
51. Wyoming .....	WY	N								
52. American Samoa .....	AS	N								
53. Guam .....	GU	N								
54. Puerto Rico .....	PR	N								
55. U.S. Virgin Islands .....	VI	N								
56. Northern Mariana Islands .....	MP	N								
57. Canada .....	CAN	N								
58. Aggregate Other Alien .....	OT	X X X								
59. Subtotal .....		X X X		405,202,597					405,202,597	
60. Reporting entity contributions for Employee Benefit Plans .....		X X X								
61. Total (Direct Business) .....	(a)	..... 1		405,202,597					405,202,597	

DETAILS OF WRITE-INS

58001. ....										
58002. ....										
58003. ....										
58998. Summary of remaining write-ins for Line 58 from overflow page .....										
58999. Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above) .....										

(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.

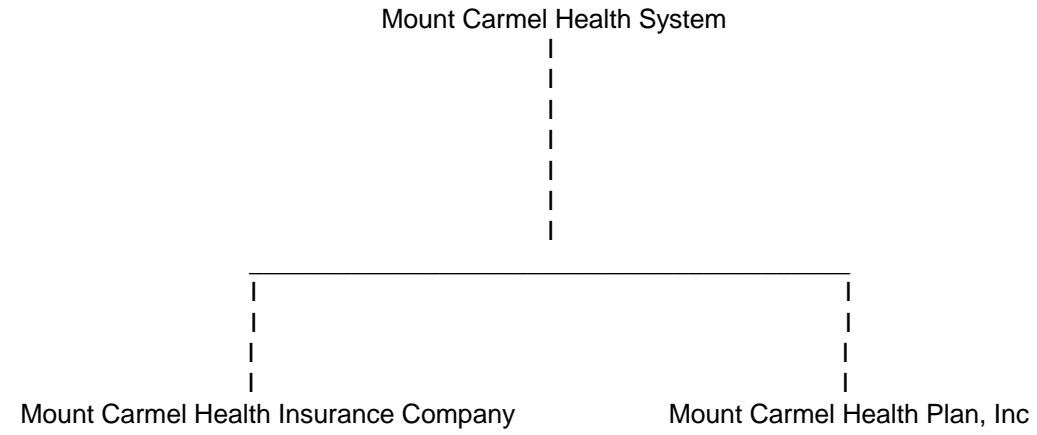
Explanation of basis of allocation by states, premiums by state, etc.

The Company only does business in the State of Ohio.

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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Mount Carmel Health Plan , Inc  
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

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Health

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