



QUARTERLY STATEMENT

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

Hometown Health Plan

NAIC Group Code 1297, 1297 NAIC Company Code 95195 Employer's ID Number 34-1523541
(Current Period) (Prior Period)

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

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
Other [] Is HMO Federally Qualified? Yes [X] No []

Incorporated/Organized 08/14/1986 Commenced Business 01/01/1987

Statutory Home Office 52160 National Road, St. Clairsville, OH, US 43950-9306
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 52160 National Road St. Clairsville, OH, US 43950-9306 330-834-2220
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 52160 National Road, St. Clairsville, OH, US 43950-9306
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 52160 National Road St. Clairsville, OH, US 43950-9306 740-695-3585
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.healthplan.org

Statutory Statement Contact Jeffrey M Knight 740-695-3585
(Name) (Area Code) (Telephone Number) (Extension)
jeffk@healthplan.org 740-695-6161
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>James M. Pennington</u>	<u>President</u>	<u>Jeffrey M. Knight</u>	<u>Treasurer</u>

OTHER OFFICERS

DIRECTORS OR TRUSTEES

<u>Robert Dunlevy</u>	<u>Jerry Fisher</u>	<u>Ted Gompers #</u>	<u>John Holloway M.D.</u>
<u>Frank Joanou</u>	<u>Charles Monfradi</u>	<u>James Newton PhD</u>	<u>Edward Polack</u>
<u>John Wright</u>	<u>Nick Zervos</u>		

State of
County of 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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

James M. Pennington
President

Jeffrey M. Knight
Treasurer

a. Is this an original filing? Yes [X] No []

b. If no,
1. State the amendment number _____
2. Date filed 11/14/2014
3. Number of pages attached _____

Subscribed and sworn to before me this _____ day of _____,

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Hometown Health Plan

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	615,948		615,948	617,965
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	267,400		267,400	238,100
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$1,692,880), cash equivalents (\$0) and short-term investments (\$0)	1,692,880		1,692,880	1,707,752
6. Contract loans (including \$premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets.....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,576,228	0	2,576,228	2,563,817
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	3,780		3,780	11,170
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,580,008	0	2,580,008	2,574,987
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	2,580,008	0	2,580,008	2,574,987
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	0	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Hometown Health Plan

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)			0	0
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	5,460		5,460	5,396
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	5,460	0	5,460	5,396
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		0
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	2,000,000	2,000,000
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	574,548	569,591
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,574,548	2,569,591
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,580,008	2,574,987
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	.0	.0	.0
2. Net premium income (including \$ non-health premium income).....	XXX	.0	.0	.0
3. Change in unearned premium reserves and reserve for rate credits	XXX	.0	.0	.0
4. Fee-for-service (net of \$ medical expenses)	XXX	.0	.0	.0
5. Risk revenue	XXX	.0	.0	.0
6. Aggregate write-ins for other health care related revenues	XXX	.0	.0	.0
7. Aggregate write-ins for other non-health revenues	XXX	.0	.0	.0
8. Total revenues (Lines 2 to 7)	XXX	.0	.0	.0
Hospital and Medical:				
9. Hospital/medical benefits .....			.0	.0
10. Other professional services .....			.0	.0
11. Outside referrals .....			.0	.0
12. Emergency room and out-of-area .....			.0	.0
13. Prescription drugs .....			.0	.0
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....			.0	.0
16. Subtotal (Lines 9 to 15) .....	.0	.0	.0	.0
Less:				
17. Net reinsurance recoveries .....			.0	.0
18. Total hospital and medical (Lines 16 minus 17) .....	.0	.0	.0	.0
19. Non-health claims (net).....			.0	.0
20. Claims adjustment expenses, including \$ cost containment expenses.....			.0	.0
21. General administrative expenses.....		15,859	7,641	8,841
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			.0	.0
23. Total underwriting deductions (Lines 18 through 22) .....	.0	15,859	7,641	8,841
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(15,859)	(7,641)	(8,841)
25. Net investment income earned		20,817	23,518	31,305
26. Net realized capital gains (losses) less capital gains tax of \$ .....			.0	.0
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	20,817	23,518	31,305
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)].....			.0	.0
29. Aggregate write-ins for other income or expenses .....	.0	.0	.0	.0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	4,958	15,877	22,464
31. Federal and foreign income taxes incurred	XXX		.0	.0
32. Net income (loss) (Lines 30 minus 31)	XXX	4,958	15,877	22,464
DETAILS OF WRITE-INS				
0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	.0	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.0	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.0	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	2,569,595	2,547,131	2,547,131
34. Net income or (loss) from Line 32.....	4,958	15,877	22,464
35. Change in valuation basis of aggregate policy and claim reserves.....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....		0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....		0	0
38. Change in net deferred income tax.....		0	0
39. Change in nonadmitted assets.....		0	0
40. Change in unauthorized and certified reinsurance.....	0	0	0
41. Change in treasury stock.....		0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....		0	0
44. Capital Changes:			
44.1 Paid in.....		0	0
44.2 Transferred from surplus (Stock Dividend).....		0	0
44.3 Transferred to surplus.....		0	0
45. Surplus adjustments:			
45.1 Paid in.....		0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....		0	0
46. Dividends to stockholders.....		0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	4,958	15,877	22,464
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,574,553	2,563,008	2,569,595
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Hometown Health Plan

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	0	0	0
2. Net investment income.....	30,224	30,908	31,304
3. Miscellaneous income.....	0	0	0
4. Total (Lines 1 to 3).....	30,224	30,908	31,304
5. Benefit and loss related payments.....	0	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	15,796	7,596	8,792
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9).....	15,796	7,596	8,792
11. Net cash from operations (Line 4 minus Line 10).....	14,428	23,312	22,512
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	0	0	0
12.2 Stocks.....	90	93	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	90	93	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	0	0	0
13.2 Stocks.....	14,695	29,380	29,201
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	14,695	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	29,390	29,380	29,201
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(29,300)	(29,287)	(29,201)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	0	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	0	0	0
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(14,872)	(5,975)	(6,689)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	1,707,755	1,714,444	1,714,444
19.2 End of period (Line 18 plus Line 19.1).....	1,692,883	1,708,469	1,707,755

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Hometown Health Plan

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. First Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. Second Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Third Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Current Year	0									
6. Current Year Member Months	0									
Total Member Ambulatory Encounters for Period:										
7. Physician .....	.0									
8. Non-Physician .....	.0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Health Premiums Written(a) .....	.0									
13. Life Premiums Direct .....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	.0									
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	.0									
18. Amount Incurred for Provision of Health Care Services	0									

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

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Hometown Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

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

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

A reconciliation of Hometown Health Plan's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

	State of Domicile	2014	2013
NET INCOME			
Company state basis (Page 4, Line 32, Columns 2 & 3)	OH	4,958	22,464
NAIC SAP (1-2-3=4)	OH	4,958	22,464
SURPLUS			
Company state basis (Page 3, Line 33, Columns 3 & 4)	OH	2,574,548	2,569,591
NAIC SAP (5-6-7=8)	OH	2,574,548	2,569,591

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

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

C. Accounting Policy

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

unassigned surplus.

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

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

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at market value as determined by the Securities Valuation Office of the NAIC.
- (2) Investments in bonds are reported at amortized cost based on their National Association of Insurance Commissioners (NAIC) rating; for GAAP such fixed maturity investments would be designated as available-for-sale investments and would be reported at fair value with unrealized holding gains and losses reported as a separate component of capital and surplus. The cost is adjusted for amortization of premiums and discounts using the straight-line method.
- (3) Common stocks are stated at market value as determined by the Securities Valuation Office of the NAIC.
- (4) Preferred stocks are stated at market value as determined by the Securities Valuation Office of the NAIC.
- (5) The Plan has no mortgage loans.
- (6) All single class and multi-class mortgage-backed/asset-backed securities (e.g., CMOs) are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using either the retrospective or prospective methods. If it is determined that a decline in fair value is other than temporary, the cost basis of the security is written down to the undiscounted estimated future cash flows.
- (7) The Plan holds no investments with respect to any subsidiaries controlled or affiliated companies.
- (8) The Plan has no ownership interests in joint ventures, partnerships or limited liability companies.
- (9) The Plan has no derivatives.
- (10 & 11) Health claims payable represents management's best estimate of ultimate net cost of all reported and unreported claims incurred and unpaid at December 31, 2009. The method for estimating health claims payable is based on a review of historical claim payment patterns and claim trends. Those estimates are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the amounts reported for health claims payable are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

2. Accounting Changes and Corrections of Errors

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

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

- (1) The Plan prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures Manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned surplus in the period of the change in accounting principle. The cumulative effect is the difference between the amount of

NOTES TO FINANCIAL STATEMENTS

capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

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

3. Business Combinations and Goodwill

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

4. Discontinued Operations

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

5. Investments

- A. Mortgage loans, including mezzanine real estate loans - NONE
- B. Troubled Debt Restructuring for Creditors- NONE
- C. Reverse Mortgages - NONE
- D. Loan-Backed Securities - NONE
- E. Repurchase Agreements and/or Securities Lending Transactions - NONE
- F. Real Estate Investments - NONE
- G. Low-Income Housing Tax Credits - NONE

6. Joint Ventures, Partnerships and Limited Liability Companies

NONE

7. Investment Income

Due and accrued investment income is excluded from the financial statements on the following basis: Investment income due and accrued with amounts over 90 days past due are excluded, with the exception of mortgage loans which are admitted up to 180 days past due. No amounts were excluded at September 30, 2014 or 2013.

8. Derivative Instruments

NONE

9. Income Taxes

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

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

At September 30, 2014 the Plan reported no amounts receivable from affiliated companies. There was also no money due to affiliated companies.

NOTES TO FINANCIAL STATEMENTS

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

11. Debt

NONE

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

NONE

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

NONE

14. Contingencies

NONE

15. Leases

NONE

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

NONE

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

NONE

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

NONE

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

NONE

20. Fair Value Measurements

A. (1) Fair Value Measurements at Reporting Date

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

a. Assets at fair value

Perpetual Preferred stock				
Industrial and Misc				
Parent, Subsidiaries and Affiliates				
Total Perpetual Preferred Stock				

Bonds

U.S. Governments	\$615,948			\$615,948
Industrial and Misc				

NOTES TO FINANCIAL STATEMENTS

Hybrid Securities		
Parent, Subsidiaries and Affiliates		
Total Bonds	<u>\$615,948</u>	<u>\$615,948</u>
Common Stock		
Industrial and Misc	\$267,400	\$267,400
Parent, Subsidiaries and Affiliates		
Total Common Stocks	<u>\$267,400</u>	<u>\$267,400</u>
Derivative assets		
Interest rate contracts		
Foreign exchange contracts		
Credit Contracts		
Commodity futures contracts		
Commodity forward contracts		
Total Derivatives		
Seperate account assets		
Total assets at fair value	<u>\$883,348</u>	<u>\$883,348</u>
b. Liabilities at fair value		
Derivative liabilities		
Total liabilities at fair value	<u>\$0</u>	<u>\$0</u>

21. Other items

- A. Extraordinary Items - NONE
- B. Troubled Debt Restructuring - NONE
- C. Other Disclosures (Unusual Items) - NONE
- D. Disclose Uncollectible Assets - NONE
- E. Business Interruption Insurance Recoveries - NONE
- F. State Transferable Tax Credits - NONE
- G. Subprime-Mortgage Risk Exposure - NONE
- H. Retained Assets

22. Events Subsequent

NONE

23. Reinsurance

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

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

NONE

25. Change in Incurred Claims and Claim Adjustment Expenses

NONE

26. Intercompany Pooling Arrangements:

NOTES TO FINANCIAL STATEMENTS

NONE

27. Structured Settlements:

NONE

28. Healthcare Receivables:

NONE

29. Participating Policies:

NONE

30. Premium Deficiency:

NONE

31. Anticipated Salvage and Subrogation:

NONE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?..... Yes [X] No []
If Yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
.....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 03/31/2014
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/17/2014
- 6.4 By what department or departments?
Ohio Department of Insurance.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] NA []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?..... Yes [X] No [] NA []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?..... Yes [] No [X]
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
.....
- 9.2 Has the code of ethics for senior managers been amended?..... Yes No
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
.....
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes No
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
.....

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 11.2 If yes, give full and complete information relating thereto:
.....
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
13. Amount of real estate and mortgages held in short-term investments: \$0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No
- 14.2 If yes, please complete the following:
- | | 1 | | 2 | |
|---|---|--|--|--|
| | Prior Year-End
Book/Adjusted
Carrying Value | | Current Quarter
Book/Adjusted
Carrying Value | |
| 14.21 Bonds | \$0 | | \$0 | |
| 14.22 Preferred Stock | \$0 | | \$0 | |
| 14.23 Common Stock | \$0 | | \$0 | |
| 14.24 Short-Term Investments | \$0 | | \$0 | |
| 14.25 Mortgage Loans on Real Estate | \$0 | | \$0 | |
| 14.26 All Other | \$0 | | \$0 | |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal
Lines 14.21 to 14.26)..... | \$0 | | \$0 | |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$0 | | \$0 | |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No
If no, attach a description with this statement.

GENERAL INTERROGATORIES

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

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

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

1 Name of Custodian(s)	2 Custodian Address
JPMorgan Chase.....	Wheeling, WV 26003.....

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes No

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

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

17.5 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	2 Name(s)	3 Address
	JPMorgan Chase.....	Wheeling, WV 26003.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes No

18.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES
PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent	0.0%
1.2 A&H cost containment percent	0.0%
1.3 A&H expense percent excluding cost containment expenses	0.0%

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

2.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....0

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

2.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....0

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

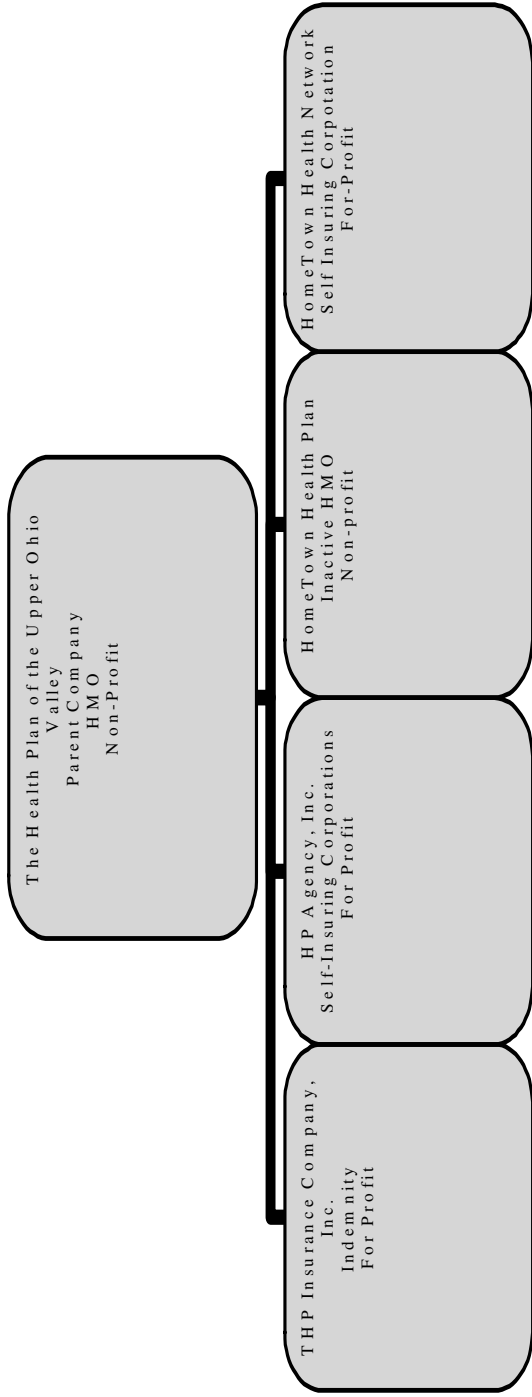
Current Year to Date - Allocated by States and Territories

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

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

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

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



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

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

.....NO.....

Explanation:

1. Business not written.

Bar Code:

1. 
9 5 1 9 5 2 0 1 4 3 6 5 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
NONE		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	856,067	826,866
2. Cost of bonds and stocks acquired	29,298	29,201
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration for bonds and stocks disposed of	0	0
7. Deduct amortization of premium	2,017	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	883,348	856,067
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	883,348	856,067

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Hometown Health Plan

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	616,641			(693)	617,965	616,641	615,948	617,965
2. NAIC 2 (a)	0				0	0	0	0
3. NAIC 3 (a)	0				0	0	0	0
4. NAIC 4 (a)	0				0	0	0	0
5. NAIC 5 (a)	0				0	0	0	0
6. NAIC 6 (a)	0				0	0	0	0
7. Total Bonds	616,641	0	0	(693)	617,965	616,641	615,948	617,965
PREFERRED STOCK								
8. NAIC 1	0				0	0	0	0
9. NAIC 2	0				0	0	0	0
10. NAIC 3	0				0	0	0	0
11. NAIC 4	0				0	0	0	0
12. NAIC 5	0				0	0	0	0
13. NAIC 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	616,641	0	0	(693)	617,965	616,641	615,948	617,965

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

Schedule DA - Part 1

NONE

Schedule DA - Verification

NONE

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B- Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E-VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.0	.0
2. Cost of cash equivalents acquired.....	.0	.0
3. Accrual of discount.....	.0	.0
4. Unrealized valuation increase (decrease).....	.0	.0
5. Total gain (loss) on disposals.....	.0	.0
6. Deduct consideration received on disposals.....	.0	.0
7. Deduct amortization of premium.....	.0	.0
8. Total foreign exchange change in book/adjusted carrying value.....	.0	.0
9. Deduct current year's other than temporary impairment recognized.....	.0	.0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.0	.0
11. Deduct total nonadmitted amounts.....	.0	.0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Hometown Health Plan

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
8399999 - Total - Bonds						0	0	0	XXX
8999999 - Total - Preferred Stocks						0	XXX	0	XXX
9799999 - Total - Common Stocks						0	XXX	0	XXX
9899999 - Total - Preferred and Common Stocks						0	XXX	0	XXX
9999999 Totals						0	XXX	0	XXX

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

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE Hometown Health Plan

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interests/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
8999999 - Total - Bonds					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XX
9799999 - Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XX
9999999 - Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XX
9999999 Totals					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XX

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

Schedule DB - Part A - Section 1

NONE

Sch. DB - Pt. A - Sn. 1 - Footnotes

NONE

Schedule DB - Part B - Section 1

NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes

NONE

Schedule DB - Part D Section 1

NONE

Schedule DB - Part D Section 2

NONE

Schedule DB - Part D Section 2 [Cont.]

NONE

Schedule E - Part 2 - Cash Equivalents
NONE