



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE

Community Insurance Company

NAIC Group Code 0671 0671 NAIC Company Code 10345 Employer's ID Number 31-1440175
(Current) (Prior)
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States of America
Licensed as business type: Property/Casualty
Is HMO Federally Qualified? Yes [] No [X]
Incorporated/Organized 07/08/1995 Commenced Business 10/01/1995
Statutory Home Office 4361 Irwin Simpson Road Mason , OH, US 45040-9498
(Street and Number) (City or Town, State, Country and Zip Code)
Main Administrative Office 4361 Irwin Simpson Road
(Street and Number)
Mason , OH, US 45040-9498 513-872-8100
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Mail Address N17 W24340 Riverwood Drive Waukesha , WI, US 53188
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)
Primary Location of Books and Records N17 W24340 Riverwood Drive
(Street and Number)
Waukesha , WI, US 53188 262-523-2439
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Internet Website Address www.anthem.com
Statutory Statement Contact Brenda J. Buss 262-523-2439
(Name) (Area Code) (Telephone Number)
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(E-mail Address) (FAX Number)

OFFICERS

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

OTHER

Amy Soppel Renshaw Assistant Secretary Eric (Rick) Kenneth Noble Assistant Treasurer JoAnn Carol Stuckmeyer # Valuation Actuary

DIRECTORS OR TRUSTEES

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

State of Ohio SS:
County of Warren

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Erin Patricia Hoeflinger
President/Chairperson

Kathleen Susan Kiefer
Vice President/Secretary

Robert David Kretschmer
Vice President/Treasurer

Subscribed and sworn to before me this 28th day of JANUARY, 2015
Kathleen J. Fahey

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed.....
3. Number of pages attached.....



Kathleen J. Fahey
Notary Public, State of Ohio
My Commission Expires 04-12-2016

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,124,721,569		1,124,721,569	1,170,208,607
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	503,774
2.2 Common stocks	291,247,041		291,247,041	309,140,733
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	12,695,678		12,695,678	28,189,323
4.2 Properties held for the production of income (less \$0 encumbrances)			0	0
4.3 Properties held for sale (less \$0 encumbrances)			0	0
5. Cash (\$(329,949,957) , Schedule E - Part 1), cash equivalents (\$10,000,000 , Schedule E - Part 2) and short-term investments (\$34,334,144 , Schedule DA)	(285,615,813)		(285,615,813)	(288,675,779)
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	44,483,736		44,483,736	33,768,270
9. Receivables for securities	8,208,910		8,208,910	3,260,611
10. Securities lending reinvested collateral assets (Schedule DL)	164,059,075		164,059,075	109,519,426
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,359,800,196	0	1,359,800,196	1,365,914,965
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	10,162,806		10,162,806	10,275,689
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	53,314,975	1,586,961	51,728,014	47,853,084
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$107,858,824 earned but unbilled premiums)	107,858,824		107,858,824	110,937,035
15.3 Accrued retrospective premiums	2,046,129		2,046,129	1,549,318
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	23,019,013		23,019,013	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	243,122,876	25,402,955	217,719,921	172,666,429
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	38,649,928		38,649,928	34,669,129
19. Guaranty funds receivable or on deposit	288,865		288,865	0
20. Electronic data processing equipment and software	88,232		88,232	482,832
21. Furniture and equipment, including health care delivery assets (\$)	2,676,764	2,676,764	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	163,968,657		163,968,657	117,180,510
24. Health care (\$22,755,671) and other amounts receivable	58,353,562	35,597,891	22,755,671	19,951,514
25. Aggregate write-ins for other than invested assets	17,282,558	1,100,945	16,181,613	5,958,718
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,080,633,385	66,365,516	2,014,267,869	1,887,439,223
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	2,080,633,385	66,365,516	2,014,267,869	1,887,439,223
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Bluecard receivables	6,406,413		6,406,413	5,958,718
2502. ACA risk adjustment receivable	9,673,000		9,673,000	0
2503. Other miscellaneous accounts receivable	1,203,145	1,100,945	102,200	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	17,282,558	1,100,945	16,181,613	5,958,718

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$3,702,351 reinsurance ceded)	505,663,107	9,834,514	515,497,621	465,230,331
2. Accrued medical incentive pool and bonus amounts	6,683,673		6,683,673	3,407,170
3. Unpaid claims adjustment expenses.....	20,164,301		20,164,301	15,666,223
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	33,828,070		33,828,070	58,852,109
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....	103,225		103,225	313,951
8. Premiums received in advance.....	44,146,207		44,146,207	37,597,937
9. General expenses due or accrued.....	57,543,039		57,543,039	43,336,178
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	13,111,088		13,111,088	6,908,301
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.....	1,176,096		1,176,096	1,871,538
13. Remittances and items not allocated.....	18,766,804		18,766,804	4,778,020
14. Borrowed money (including \$100,000,000 current) and interest thereon \$5,333 (including \$5,333 current).....	100,005,333		100,005,333	150,007,583
15. Amounts due to parent, subsidiaries and affiliates.....	65,033,123		65,033,123	93,271,158
16. Derivatives.....			0	0
17. Payable for securities.....	11,664,251		11,664,251	18,882,293
18. Payable for securities lending	164,059,075		164,059,075	109,519,426
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans.....	89,616,456		89,616,456	67,053,350
23. Aggregate write-ins for other liabilities (including \$46,395,651 current).....	60,717,031	0	60,717,031	32,360,869
24. Total liabilities (Lines 1 to 23).....	1,192,280,879	9,834,514	1,202,115,393	1,109,056,437
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	101,152,132	0
26. Common capital stock.....	XXX	XXX	1,142,307	1,142,307
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	195,393,523	195,393,523
29. Surplus notes.....	XXX	XXX	0	
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	514,464,514	581,846,956
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$).....	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	812,152,476	778,382,786
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	2,014,267,869	1,887,439,223
DETAILS OF WRITE-INS				
2301. Escheat liabilities	23,503,440		23,503,440	19,108,423
2302. Medicare risk adjustment payable	26,513,010		26,513,010	13,252,446
2303. Other accrued expenses - non trade	10,700,581		10,700,581	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above).....	60,717,031	0	60,717,031	32,360,869
2501. Estimated 2015 ACA health insurer fee	XXX	XXX	94,793,972	
2502. Deferred gain on sale/leaseback transaction.	XXX	XXX	6,358,160	
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above).....	XXX	XXX	101,152,132	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	24,051,555	22,723,313
2. Net premium income (including \$ non-health premium income)	XXX	5,279,770,418	5,077,537,837
3. Change in unearned premium reserves and reserve for rate credits	XXX	29,450,004	24,621,049
4. Fee-for-service (net of \$ medical expenses)	XXX	0	
5. Risk revenue	XXX	0	
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	5,309,220,422	5,102,158,886
Hospital and Medical:			
9. Hospital/medical benefits	65,450,677	3,222,028,154	3,083,650,274
10. Other professional services	7,320,227	360,362,618	205,705,539
11. Outside referrals		0	
12. Emergency room and out-of-area	2,297,275	113,091,031	301,038,626
13. Prescription drugs	16,823	682,881,053	655,148,735
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		15,038,183	10,682,522
16. Subtotal (Lines 9 to 15)	75,085,002	4,393,401,039	4,256,225,696
Less:			
17. Net reinsurance recoveries		26,721,364	
18. Total hospital and medical (Lines 16 minus 17)	75,085,002	4,366,679,675	4,256,225,696
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$61,671,109 cost containment expenses		111,950,331	110,638,552
21. General administrative expenses		433,286,971	293,599,781
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		4,425,966	(17,657,742)
23. Total underwriting deductions (Lines 18 through 22).....	75,085,002	4,916,342,943	4,642,806,287
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	392,877,479	459,352,599
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		52,275,313	54,976,416
26. Net realized capital gains (losses) less capital gains tax of \$4,764,052		11,809,983	44,599,885
27. Net investment gains (losses) (Lines 25 plus 26)	0	64,085,296	99,576,301
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$35,774)]		(35,774)	(226,673)
29. Aggregate write-ins for other income or expenses	0	1,918,442	2,568,051
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	458,845,443	561,270,278
31. Federal and foreign income taxes incurred	XXX	181,973,149	168,795,555
32. Net income (loss) (Lines 30 minus 31)	XXX	276,872,294	392,474,723
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901. Miscellaneous revenue		1,918,442	2,568,051
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	1,918,442	2,568,051

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	778,382,786	754,818,492
34. Net income or (loss) from Line 32	276,872,294	392,474,723
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 1,408,825	4,586,506	19,398,865
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	5,389,624	(18,916,771)
39. Change in nonadmitted assets	(9,436,894)	10,607,477
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders	(250,000,000)	(380,000,000)
47. Aggregate write-ins for gains or (losses) in surplus	6,358,160	0
48. Net change in capital and surplus (Lines 34 to 47)	33,769,690	23,564,294
49. Capital and surplus end of reporting period (Line 33 plus 48)	812,152,476	778,382,786
DETAILS OF WRITE-INS		
4701. Deferred gain on sale/leaseback transaction	6,358,160	
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	6,358,160	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	5,284,961,335	5,069,228,846
2. Net investment income	61,013,140	68,083,270
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	5,345,974,475	5,137,312,116
5. Benefit and loss related payments	4,336,365,621	4,269,451,377
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	548,659,120	416,704,687
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 4,764,052 tax on capital gains (losses)	180,534,414	172,364,792
10. Total (Lines 5 through 9)	5,065,559,155	4,858,520,856
11. Net cash from operations (Line 4 minus Line 10)	280,415,320	278,791,260
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	914,558,788	1,279,116,655
12.2 Stocks	155,861,661	232,723,140
12.3 Mortgage loans	0	0
12.4 Real estate	15,290,630	236,027
12.5 Other invested assets	13,960,303	6,301,581
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	2,057	9,866
12.7 Miscellaneous proceeds	0	6,314,313
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,099,673,439	1,524,701,582
13. Cost of investments acquired (long-term only):		
13.1 Bonds	877,002,956	1,217,927,838
13.2 Stocks	121,979,551	215,849,698
13.3 Mortgage loans	0	0
13.4 Real estate	1,663,975	1,515,352
13.5 Other invested assets	13,432,438	12,237,314
13.6 Miscellaneous applications	66,703,416	4,271,689
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,080,782,336	1,451,801,891
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	18,891,103	72,899,691
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	(50,002,250)	(14,292)
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	250,000,000	380,000,000
16.6 Other cash provided (applied)	3,755,793	(57,024,876)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(296,246,457)	(437,039,168)
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)	3,059,966	(85,348,217)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(288,675,779)	(203,327,562)
19.2 End of year (Line 18 plus Line 19.1)	(285,615,813)	(288,675,779)

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

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ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	5,279,770,418	2,743,899,179	118,163,480	43,925,154	15,656,061	944,793,285	1,256,073,730		157,259,529	
2. Change in unearned premium reserves and reserve for rate credit	29,450,004	3,560,397	3,057,730	105,360	821		22,725,696			
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	5,309,220,422	2,747,459,576	121,221,210	44,030,514	15,656,882	944,793,285	1,278,799,426	0	157,259,529	0
8. Hospital/medical benefits	3,222,028,154	1,516,219,384	78,194,850			606,223,852	889,061,547	(1,793)	132,330,314	XXX
9. Other professional services	360,362,618	179,080,546	9,494,449	27,746,029	9,861,007	59,594,887	74,585,700			XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	113,091,031	61,201,335	1,880,976			19,179,964	30,828,756			XXX
12. Prescription drugs	682,881,053	396,586,971	(231,119)			186,580,262	99,976,077	(31,138)		XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	15,038,183	9,800,339	1,782			3,388,563	1,847,499			XXX
15. Subtotal (Lines 8 to 14)	4,393,401,039	2,162,888,575	89,340,938	27,746,029	9,861,007	874,967,528	1,096,299,579	(32,931)	132,330,314	XXX
16. Net reinsurance recoveries	26,721,364	26,721,364								XXX
17. Total medical and hospital (Lines 15 minus 16)	4,366,679,675	2,136,167,211	89,340,938	27,746,029	9,861,007	874,967,528	1,096,299,579	(32,931)	132,330,314	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$61,671,109 cost containment expenses	111,950,331	78,295,203	3,982,792	2,203,574	533,608	12,959,646	35,951,963	20,485	(21,996,940)	
20. General administrative expenses	433,286,971	303,029,739	15,414,794	8,528,600	2,065,248	50,158,348	139,146,636	79,286	(85,135,680)	
21. Increase in reserves for accident and health contracts	4,425,966	4,291,666	134,300							XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	4,916,342,943	2,521,783,819	108,872,824	38,478,203	12,459,863	938,085,522	1,271,398,178	66,840	25,197,694	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	392,877,479	225,675,757	12,348,386	5,552,311	3,197,019	6,707,763	7,401,248	(66,840)	132,061,835	0
0501. DETAILS OF WRITE-INS										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	2,745,299,081		1,399,902	2,743,899,179
2. Medicare Supplement	118,163,480			118,163,480
3. Dental only	43,925,154			43,925,154
4. Vision only	15,656,061			15,656,061
5. Federal Employees Health Benefits Plan	944,793,285			944,793,285
6. Title XVIII - Medicare	1,256,073,730			1,256,073,730
7. Title XIX - Medicaid	0			0
8. Other health	157,259,529			157,259,529
9. Health subtotal (Lines 1 through 8)	5,281,170,320	0	1,399,902	5,279,770,418
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	5,281,170,320	0	1,399,902	5,279,770,418

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	4,324,603,942	2,124,675,311	89,303,448	27,420,077	9,684,448	875,240,463	1,077,595,173	(33,651)	120,718,673	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	23,019,013	23,019,013								
1.4 Net	4,301,584,929	2,101,656,298	89,303,448	27,420,077	9,684,448	875,240,463	1,077,595,173	(33,651)	120,718,673	0
2. Paid medical incentive pools and bonuses	11,761,679	7,226,369	1,782			2,159,895	2,373,633			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	519,199,972	252,171,256	11,076,179	1,928,281	466,456	103,709,949	128,328,303	4,470	21,515,078	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	3,702,351	3,702,351	0	0	0	0	0	0	0	0
3.4 Net	515,497,621	248,468,905	11,076,179	1,928,281	466,456	103,709,949	128,328,303	4,470	21,515,078	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	103,225	828	25,578			76,819				
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	103,225	828	25,578	0	0	76,819	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	6,683,673	3,048,004				1,341,261	2,294,408			
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	465,230,331	223,757,307	10,939,188	1,602,329	289,897	107,263,029	111,471,394	3,750	9,903,437	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	465,230,331	223,757,307	10,939,188	1,602,329	289,897	107,263,029	111,471,394	3,750	9,903,437	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	313,951	1,851	126,861			185,239				
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	313,951	1,851	126,861	0	0	185,239	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	3,407,170	474,034				112,593	2,820,543			
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	4,378,362,857	2,153,088,237	89,339,156	27,746,029	9,861,007	871,578,963	1,094,452,082	(32,931)	132,330,314	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	26,721,364	26,721,364	0	0	0	0	0	0	0	0
12.4 Net	4,351,641,493	2,126,366,873	89,339,156	27,746,029	9,861,007	871,578,963	1,094,452,082	(32,931)	132,330,314	0
13. Incurred medical incentive pools and bonuses	15,038,182	9,800,339	1,782	0	0	3,388,563	1,847,498	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	180,338,073	87,965,919	1,971,560	117,625	28,454	34,431,703	55,822,812			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	180,338,073	87,965,919	1,971,560	117,625	28,454	34,431,703	55,822,812	0	0	0
2. Incurred but Unreported:										
2.1 Direct	338,861,899	164,205,337	9,104,619	1,810,656	438,002	69,278,246	72,505,491	4,470	21,515,078	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	3,702,351	3,702,351								
2.4 Net	335,159,548	160,502,986	9,104,619	1,810,656	438,002	69,278,246	72,505,491	4,470	21,515,078	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	519,199,972	252,171,256	11,076,179	1,928,281	466,456	103,709,949	128,328,303	4,470	21,515,078	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	3,702,351	3,702,351	0	0	0	0	0	0	0	0
4.4 Net	515,497,621	248,468,905	11,076,179	1,928,281	466,456	103,709,949	128,328,303	4,470	21,515,078	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	185,409,647	1,949,808,130	9,858,955	238,610,778	195,268,602	223,759,159
2. Medicare Supplement	10,081,120	79,358,577	9,822	11,091,935	10,090,942	11,066,049
3. Dental Only	1,534,310	25,941,463	22,508	1,905,773	1,556,818	1,602,329
4. Vision Only	371,411	9,313,037	226	466,230	371,637	289,897
5. Federal Employees Health Benefits Plan	94,732,722	781,280,609	1,268,315	102,518,453	96,001,037	107,448,268
6. Title XVIII - Medicare	93,925,660	1,007,496,783	3,196,414	125,131,888	97,122,074	111,471,395
7. Title XIX - Medicaid	(33,651)		4,470		(29,181)	3,750
8. Other health	11,833,093	108,885,579	1,132,701	20,382,377	12,965,794	9,903,437
9. Health subtotal (Lines 1 to 8)	397,854,312	3,962,084,178	15,493,411	500,107,434	413,347,723	465,544,284
10. Healthcare receivables (a)	969,261	57,384,301			969,261	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	2,901,194	8,860,486	2,073,584	4,610,089	4,974,778	3,407,170
13. Totals (Lines 9 - 10 + 11 + 12)	399,786,245	3,913,560,363	17,566,995	504,717,523	417,353,240	468,951,454

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	194,544	190,482	189,965	189,878	189,878
2.	2010	2,098,964	2,311,085	2,311,352	2,310,221	2,309,983
3.	2011	XXX	2,182,033	2,391,574	2,395,070	2,394,028
4.	2012	XXX	XXX	2,059,504	2,243,101	2,247,577
5.	2013	XXX	XXX	XXX	2,007,743	2,191,660
6.	2014	XXX	XXX	XXX	XXX	1,921,770

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	196,641	191,003	190,323	189,801	189,878
2.	2010	2,321,085	2,312,073	2,311,699	2,310,440	2,310,009
3.	2011	XXX	2,418,156	2,398,422	2,395,391	2,394,164
4.	2012	XXX	XXX	2,282,699	2,250,576	2,248,980
5.	2013	XXX	XXX	XXX	2,224,038	2,200,501
6.	2014	XXX	XXX	XXX	XXX	2,162,881

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	2,881,132	2,309,983	53,513	2.3	2,363,496	82.0	26	1	2,363,523	82.0
2. 2011	2,977,019	2,394,028	48,536	2.0	2,442,564	82.0	137	5	2,442,706	82.1
3. 2012	2,792,393	2,247,577	74,966	3.3	2,322,543	83.2	1,403	55	2,324,001	83.2
4. 2013	2,759,124	2,191,660	80,854	3.7	2,272,514	82.4	8,840	323	2,281,677	82.7
5. 2014	2,747,460	1,921,770	65,792	3.4	1,987,562	72.3	241,112	9,292	2,237,966	81.5

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	9,100	9,068	9,183	9,204	9,204
2.	2010	67,769	78,037	78,074	78,006	77,999
3.	2011	XXX	69,113	80,243	80,479	80,504
4.	2012	XXX	XXX	77,880	87,769	87,654
5.	2013	XXX	XXX	XXX	78,593	88,768
6.	2014	XXX	XXX	XXX	XXX	79,228

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	9,143	9,033	9,184	9,204	9,204
2.	2010	77,676	78,096	78,072	77,993	77,999
3.	2011	XXX	80,826	80,398	80,576	80,506
4.	2012	XXX	XXX	90,597	87,784	87,654
5.	2013	XXX	XXX	XXX	89,560	88,775
6.	2014	XXX	XXX	XXX	XXX	90,320

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 Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	106,068	77,999	1,758	2.3	79,757	75.2	0	0	79,757	75.2
2. 2011	109,259	80,504	3,171	3.9	83,675	76.6	2	0	83,677	76.6
3. 2012	117,864	87,654	4,994	5.7	92,648	78.6	0	0	92,648	78.6
4. 2013	122,692	88,768	5,263	5.9	94,031	76.6	8	0	94,039	76.6
5. 2014	121,221	79,228	3,354	4.2	82,582	68.1	11,092	444	94,118	77.6

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior					1,872	1,894	1,909	1,908	1,908
2.	2010					21,059	22,194	22,206	22,207	22,207
3.	2011					XXX	20,313	21,451	21,455	21,457
4.	2012					XXX	XXX	22,423	23,456	23,469
5.	2013					XXX	XXX	XXX	24,771	26,288
6.	2014					XXX	XXX	XXX	XXX	25,889

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior					1,909	1,898	1,909	1,908	1,908
2.	2010					22,275	22,214	22,207	22,207	22,207
3.	2011					XXX	21,535	21,461	21,455	21,457
4.	2012					XXX	XXX	23,837	23,464	23,470
5.	2013					XXX	XXX	XXX	26,365	26,309
6.	2014					XXX	XXX	XXX	XXX	27,794

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

Years in which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2010	34,483	22,207	479	2.2	22,686	65.8			22,686	65.8
2.	2011	33,556	21,457	993	4.6	22,450	66.9			22,450	66.9
3.	2012	36,528	23,469	642	2.7	24,111	66.0	1		24,112	66.0
4.	2013	39,365	26,288	2,197	8.4	28,485	72.4	21	1	28,507	72.4
5.	2014	44,031	25,889	1,922	7.4	27,811	63.2	1,906	69	29,786	67.6

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	261	262	261	261	261
2.	2010	3,194	3,488	3,490	3,490	3,490
3.	2011	XXX	3,166	3,449	3,449	3,449
4.	2012	XXX	XXX	4,981	5,242	5,242
5.	2013	XXX	XXX	XXX	4,838	5,209
6.	2014	XXX	XXX	XXX	XXX	9,313

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	261	262	261	261	261
2.	2010	3,423	3,490	3,490	3,490	3,490
3.	2011	XXX	3,396	3,449	3,449	3,449
4.	2012	XXX	XXX	5,245	5,242	5,242
5.	2013	XXX	XXX	XXX	5,128	5,209
6.	2014	XXX	XXX	XXX	XXX	9,779

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	5,988	3,490	67	1.9	3,557	59.4			3,557	59.4
2. 2011	5,891	3,449	165	4.8	3,614	61.3			3,614	61.3
3. 2012	7,868	5,242	340	6.5	5,582	70.9			5,582	70.9
4. 2013	8,874	5,209	453	8.7	5,662	63.8	0	0	5,662	63.8
5. 2014	15,657	9,313	467	5.0	9,780	62.5	466	16	10,262	65.5

UNDERWRITING AND INVESTMENT EXHIBIT

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

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	(1,950)	(2,042)	(2,042)	(2,043)	(2,043)
2.	2010		0			
3.	2011	XXX	0			
4.	2012	XXX	XXX	710,199	797,360	798,364
5.	2013	XXX	XXX	XXX	753,163	847,491
6.	2014	XXX	XXX	XXX	XXX	782,069

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	(1,950)	(2,042)	(2,042)	(2,043)	(2,043)
2.	2010	1	0			
3.	2011	XXX	0			0
4.	2012	XXX	XXX	808,685	799,411	798,530
5.	2013	XXX	XXX	XXX	858,674	848,677
6.	2014	XXX	XXX	XXX	XXX	885,843

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	(1,638)			0.0	0	0.0	1		1	(0.1)
2. 2011	(256)			0.0	0	0.0	0		0	0.0
3. 2012	853,095	798,364	8,068	1.0	806,432	94.5	167	7	806,606	94.6
4. 2013	896,059	847,491	11,348	1.3	858,839	95.8	1,186	44	860,069	96.0
5. 2014	944,793	782,069	10,766	1.4	792,835	83.9	103,774	4,101	900,710	95.3

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	70,285	69,793	69,976	70,055	70,055
2.	2010	759,972	856,224	856,974	856,980	856,881
3.	2011	XXX	935,291	1,057,022	1,061,656	1,061,514
4.	2012	XXX	XXX	1,022,147	1,131,179	1,132,813
5.	2013	XXX	XXX	XXX	887,508	979,677
6.	2014	XXX	XXX	XXX	XXX	986,406

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	71,118	70,423	69,979	70,055	70,055
2.	2010	855,706	856,651	857,095	856,980	856,881
3.	2011	XXX	1,079,168	1,063,066	1,061,675	1,061,516
4.	2012	XXX	XXX	1,148,634	1,134,361	1,132,814
5.	2013	XXX	XXX	XXX	998,599	984,312
6.	2014	XXX	XXX	XXX	XXX	1,112,391

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	1,044,176	856,881	18,724	2.2	875,605	83.9			875,605	83.9
2. 2011	1,301,523	1,061,514	16,359	1.5	1,077,873	82.8	2		1,077,875	82.8
3. 2012	1,314,246	1,132,813	25,317	2.2	1,158,130	88.1	1		1,158,131	88.1
4. 2013	1,146,441	979,677	33,512	3.4	1,013,189	88.4	4,634	123	1,017,946	88.8
5. 2014	1,278,799	986,406	30,046	3.0	1,016,452	79.5	125,985	4,823	1,147,260	89.7

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	(2,091)	3,483	3,464	3,435	3,435
2.	2010	0				(34)
3.	2011	XXX				
4.	2012	XXX	XXX			
5.	2013	XXX	XXX	XXX		
6.	2014	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	(2,091)	3,483	3,464	3,435	3,435
2.	2010	0	0			(34)
3.	2011	XXX	4	4	4	4
4.	2012	XXX	XXX			
5.	2013	XXX	XXX	XXX		
6.	2014	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	(132)	(34)	21	(61.8)	(13)	9.8	0	0	(13)	9.8
2. 2011	(50)		3	0.0	3	(6.0)	4	0	7	(14.0)
3. 2012				0.0	0	0.0			0	0.0
4. 2013				0.0	0	0.0			0	0.0
5. 2014				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	7,265	7,265	7,265	7,266	7,266
2.	2010	55,868	62,144	62,143	62,143	62,143
3.	2011	XXX	71,213	75,167	75,167	75,167
4.	2012	XXX	XXX	87,535	95,001	95,001
5.	2013	XXX	XXX	XXX	107,230	119,063
6.	2014	XXX	XXX	XXX	XXX	108,886

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	7,265	7,265	7,265	7,266	7,266
2.	2010	62,586	62,146	62,143	62,143	62,143
3.	2011	XXX	77,985	75,167	75,167	75,167
4.	2012	XXX	XXX	93,259	95,001	95,001
5.	2013	XXX	XXX	XXX	117,134	120,196
6.	2014	XXX	XXX	XXX	XXX	129,268

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	73,287	62,143	1,055	1.7	63,198	86.2			63,198	86.2
2. 2011	90,232	75,167	965	1.3	76,132	84.4			76,132	84.4
3. 2012	107,545	95,001	395	0.4	95,396	88.7			95,396	88.7
4. 2013	129,603	119,063	359	0.3	119,422	92.1	1,133	45	120,600	93.1
5. 2014	157,260	108,886	30	0.0	108,916	69.3	20,382	815	130,113	82.7

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	279,286	280,205	279,981	279,964	279,964
2.	2010	3,006,826	3,333,172	3,334,239	3,333,047	3,332,669
3.	2011	XXX	3,281,129	3,628,906	3,637,276	3,636,119
4.	2012	XXX	XXX	3,984,669	4,383,108	4,390,120
5.	2013	XXX	XXX	XXX	3,863,846	4,258,156
6.	2014	XXX	XXX	XXX	XXX	3,913,561

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	282,296	281,325	280,343	279,887	279,964
2.	2010	3,342,752	3,334,670	3,334,706	3,333,253	3,332,695
3.	2011	XXX	3,681,070	3,641,967	3,637,717	3,636,263
4.	2012	XXX	XXX	4,452,956	4,395,839	4,391,691
5.	2013	XXX	XXX	XXX	4,319,498	4,273,979
6.	2014	XXX	XXX	XXX	XXX	4,418,276

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 Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	4,143,364	3,332,669	75,617	2.3	3,408,286	82.3	27	1	3,408,314	82.3
2. 2011	4,517,174	3,636,119	70,192	1.9	3,706,311	82.0	145	5	3,706,461	82.1
3. 2012	5,229,539	4,390,120	114,722	2.6	4,504,842	86.1	1,572	62	4,506,476	86.2
4. 2013	5,102,158	4,258,156	133,986	3.1	4,392,142	86.1	15,822	536	4,408,500	86.4
5. 2014	5,309,221	3,913,561	112,377	2.9	4,025,938	75.8	504,717	19,560	4,550,215	85.7

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	355,931	52,605		298,316	5,010				
2. Additional policy reserves (a)	29,629,056	14,666,763	14,962,293						
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income	3,843,083		3,366,597				476,486		
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	33,828,070	14,719,368	18,328,890	298,316	5,010	0	476,486	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	33,828,070	14,719,368	18,328,890	298,316	5,010	0	476,486	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	103,225	828	25,578	0		76,819			
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	103,225	828	25,578	0	0	76,819	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	103,225	828	25,578	0	0	76,819	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$5,296,369 for occupancy of own building)	4,662,755	3,140,689	7,145,250	26,556	14,975,250
2. Salary, wages and other benefits	101,230,000	67,622,462	151,037,855	561,346	320,451,663
3. Commissions (less \$ ceded plus \$ assumed)			141,340,440		141,340,440
4. Legal fees and expenses	5,056	1,747	2,936,428	10,913	2,954,144
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	25,904,422	6,384,499	38,093,075	141,576	70,523,572
7. Traveling expenses	1,007,017	253,103	3,897,814	14,487	5,172,421
8. Marketing and advertising	938,412	16,377	27,280,727	101,391	28,336,907
9. Postage, express and telephone	3,313,499	3,958,779	12,623,748	46,917	19,942,943
10. Printing and office supplies	564,923	139,431	715,181	2,658	1,422,193
11. Occupancy, depreciation and amortization					0
12. Equipment	211,960	79,655	1,229,300	4,569	1,525,484
13. Cost or depreciation of EDP equipment and software	3,739,016	6,808,927	21,413,481	79,585	32,041,009
14. Outsourced services including EDP, claims, and other services	50,523,494	31,522,189	44,486,338	165,339	126,697,360
15. Boards, bureaus and association fees	114,775	3,961	1,985,981	7,381	2,112,098
16. Insurance, except on real estate			1,195,271	4,442	1,199,713
17. Collection and bank service charges		1,047	2,064,949	7,675	2,073,671
18. Group service and administration fees	11,348,441	16,976,224	11,177,728	41,543	39,543,936
19. Reimbursements by uninsured plans	(148,795,833)	(99,067,092)	(204,383,857)		(452,246,782)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses	295,671	19,400	2,961,961	11,008	3,288,040
22. Real estate taxes			705,395		705,395
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	2,221	20	156,391		158,632
23.2 State premium taxes			25,912,381		25,912,381
23.3 Regulatory authority licenses and fees	25,763	5,030	565,796		596,589
23.4 Payroll taxes	6,354,181	4,413,009	9,475,284		20,242,474
23.5 Other (excluding federal income and real estate taxes)			123,333,677		123,333,677
24. Investment expenses not included elsewhere				3,132,152	3,132,152
25. Aggregate write-ins for expenses	225,336	7,999,765	5,936,377	22,063	14,183,541
26. Total expenses incurred (Lines 1 to 25)	61,671,109	50,279,222	433,286,971	4,381,601	(a) .....549,618,903
27. Less expenses unpaid December 31, current year ..	11,110,530	9,053,771	57,543,039		77,707,340
28. Add expenses unpaid December 31, prior year	9,446,732	6,219,491	43,336,178		59,002,401
29. Amounts receivable relating to uninsured plans, prior year			196,839,210		196,839,210
30. Amounts receivable relating to uninsured plans, current year			243,199,876		243,199,876
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	60,007,311	47,444,942	465,440,776	4,381,601	577,274,630
DETAILS OF WRITE-INS					
2501. Other expenses	225,336	7,999,765	5,936,377	22,063	14,183,541
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	225,336	7,999,765	5,936,377	22,063	14,183,541

(a) Includes management fees of \$695,512,610 to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds	(a) .....89,414	.....130,921
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....42,138,047	.....42,067,058
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....8,859	.....1,153
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....8,169,784	.....7,987,572
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....6,031,711	.....6,031,711
5	Contract Loans .....	.....	.....
6	Cash, cash equivalents and short-term investments	(e) .....32,106	.....76,717
7	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....482,952	.....525,783
10.	Total gross investment income	56,952,873	56,820,914
11.	Investment expenses .....	.....	(g) .....4,381,601
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) .....0
13.	Interest expense .....	.....	(h) .....164,000
14.	Depreciation on real estate and other invested assets .....	.....	(i)
15.	Aggregate write-ins for deductions from investment income .....	.....	.....0
16.	Total deductions (Lines 11 through 15) .....	.....	.....4,545,601
17.	Net investment income (Line 10 minus Line 16)	.....	52,275,313
DETAILS OF WRITE-INS			
0901.	Securities Lending .....	.....494,242	.....537,073
0902.	Miscellaneous .....	.....(11,290)	.....(11,290)
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	482,952	525,783
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)	.....	0

- (a) Includes \$613,397 accrual of discount less \$7,352,275 amortization of premium and less \$2,652,028 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$1,386 accrual of discount less \$27,869 amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$. investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(433,424)	.....0	(433,424)	.....0	.....0
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated) .....	.....5,158,652	.....0	.....5,158,652	.....(5,917,568)	.....0
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated)	(89,828)	(21,966)	(111,794)	.....1,766	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....12,697,130	.....(370,094)	.....12,327,036	.....3,267,643	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....2,057	.....	.....2,057	.....0	.....
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets	(368,493)	.....0	(368,493)	.....8,643,492	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	16,966,094	(392,060)	16,574,034	5,995,333	0
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)		2,968,332	2,968,332
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	2,574	2,574
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	2,970,906	2,970,906
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued		19,077	19,077
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,586,961	1,523,138	(63,823)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	25,402,955	24,172,781	(1,230,174)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software		244,076	244,076
21. Furniture and equipment, including health care delivery assets	2,676,764	3,486,186	809,422
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	35,597,891	23,423,729	(12,174,162)
25. Aggregate write-ins for other than invested assets	1,100,945	1,088,729	(12,216)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	66,365,516	56,928,622	(9,436,894)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	66,365,516	56,928,622	(9,436,894)
DETAILS OF WRITE-INS			
1101. Pending securities receivable over 15 days		2,574	2,574
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	2,574	2,574
2501. Other Misc Receivables	1,100,945	1,088,729	(12,216)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,100,945	1,088,729	(12,216)

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	93,213	112,029	112,332	112,740	114,003	1,350,420
2. Provider Service Organizations						
3. Preferred Provider Organizations	1,527,994	1,624,543	1,638,404	1,619,267	1,609,367	19,555,036
4. Point of Service						
5. Indemnity Only	57,194	54,469	53,560	53,144	52,836	643,655
6. Aggregate write-ins for other lines of business.....	220,990	215,806	210,710	202,333	198,535	2,502,444
7. Total	1,899,391	2,006,847	2,015,006	1,987,484	1,974,741	24,051,555
DETAILS OF WRITE-INS						
0601. Consumer Driven Health Plan	220,990	215,806	210,710	202,333	198,535	2,502,444
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	220,990	215,806	210,710	202,333	198,535	2,502,444

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

	State of Domicile	2014	2013
<u>Net Income</u>			
(1) Community Insurance Company state basis (Page 4, Line 32, Columns 2 & 3)	Ohio	\$ 276,872,294	\$ 392,474,723
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		-	-
(4) NAIC SAP (1-2-3=4)	Ohio	\$ 276,872,294	\$ 392,474,723
<u>Surplus</u>			
(5) Community Insurance Company state basis (Page 3, Line 33, Columns 3 & 4)	Ohio	\$ 812,152,476	\$ 778,382,786
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		-	-
(8) NAIC SAP (5-6-7=8)	Ohio	\$ 812,152,476	\$ 778,382,786

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

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

C. Accounting Policies

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

In addition, the Company uses the following accounting policies:

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

NOTES TO FINANCIAL STATEMENTS

- value. Non-investment grade short-term investments are stated at the lower of amortized cost or fair value.
2. Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the modified scientific method, using lower of yield to call or yield to maturity. Non-investment grade bonds are stated at the lower of the amortized cost or fair value, as determined by various third-party pricing sources.
 3. Common stocks of unaffiliated companies are stated at fair, as determined by various third-party pricing sources.
 4. Investment grade redeemable preferred stocks are stated at amortized value. Investment grade perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value.
 5. Mortgage loans on real estate – Not applicable.
 6. Loan-backed securities are stated at amortized cost. Pre-payment assumptions for loan-backed securities and structured securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with current interest rates and the economic environment. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.
 7. The Company owned 100% of the common stock of its non-insurance subsidiary, Radiant Company, LLC, (“Radiant”) which was sold during the year. This investment was reported at its GAAP equity and non-admitted as the Company did not have a GAAP audit performed. The Company reported the net change in the equity of its affiliated investments as a change in net unrealized capital gains and losses.
 8. The Company has ownership interests in unaffiliated joint ventures. The Company reports these interests as Other Long-Term Invested Assets on Schedule BA. The Company carries these investments based on the Company’s interest in the underlying audited GAAP equity at December 31, 2014. The Company reports the net change in the equity as a change in net unrealized capital gains and losses.
 9. The Company has no derivative instruments.
 10. The Company does not anticipate investment income as a factor in premium deficiency calculations.
 11. Unpaid claims and claims adjustment expenses include management’s best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and changes in estimates are incorporated into current period estimates.
 12. The Company has not modified its capitalization policy from the prior period.
 13. Pharmacy rebate receivables are recorded when earned based upon actual rebate receivables billed and an estimate of receivables based upon current utilization of specific pharmaceuticals and provider contract terms.
 14. Service fees earned from providing administrative services to self-insured customers are deducted from operating expenses, and related claim payments and subsequent reimbursements of those claim payments are excluded from net income.
 15. The Company records a liability for future policy benefits relating to certain individual product contracts. The liability represents the present value of future benefits to be paid to or on behalf of policyholders and related expenses less the present value of future net premiums. Changes in the liability for future benefits are reported as a component of net income in the period in which the change occurs.
 16. Premium under Federal Employee Program ("FEP") is earned when chargeable benefit costs, allowable expenses or retentions are incurred. Deferred premiums are recorded to offset the FEP liabilities for incurred claims but not reported and claims adjustment expenses that are due from the Office of Personnel Management ("OPM"), when the claims are ultimately paid.

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

There were no accounting changes or corrections of errors during the years ended December 31, 2014 and 2013.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Assumption Reinsurance

Not applicable.

D. Impairment Loss

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company has no investments in mortgage loans at December 31, 2014 or 2013.

B. Debt Restructuring

The Company did not have invested assets that were restructured debt at December 31, 2014 or 2013.

C. Reverse Mortgages

The Company did not have investments in reverse mortgages at December 31, 2014 or 2013.

D. Loan-Backed Securities

1. Prepayment assumptions for single-class and multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates. The Company used various third-party pricing sources in determining the market value of its loan-backed securities.
2. The Company did not recognize other-than-temporary impairments on its loan-backed securities during the years ended December 31, 2014 and 2013.
3. The Company did not hold other-than-temporarily impaired loan-backed securities at December 31, 2014 and 2013.
4. The Company had no impaired securities for which an other-than-temporary impairment had not been recognized in earnings as a realized loss at December 31, 2014 and 2013.
5. The Company had no impaired loan-backed securities at December 31, 2014 and 2013.

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements and/or Securities Lending Transactions

- 1. The Company did not enter into repurchase agreements at December 31, 2014 or 2013.
- 2. The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers based on, among other things, their creditworthiness in exchange for collateral initially equal to at least 102% of the market value of the loaned securities. The Company receives the collateral in cash or securities, and if cash is received the cash collateral is thereafter invested according to guidelines of the Company's Investment Policy.
- 3. Collateral Received

a. Aggregate amount collateral received

- 1. Repurchase agreement - Not applicable.

	<u>Fair</u> <u>Value</u>
2. Securities Lending	
(a) Open	\$ 142,947,013
(b) 30 days or less	-
(c) 31 to 60 days	-
(d) 61 to 90 days	-
(e) Greater than 90 days	-
(f) Sub-total	<u>\$ 142,947,013</u>
(g) Securities received	<u>21,089,762</u>
(h) Total collateral received	<u><u>\$ 164,036,775</u></u>

- 3. Dollar repurchase agreement - Not applicable.

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged

	<u><u>\$ 164,036,775</u></u>
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- c. The Company receives cash collateral in an amount in excess of the fair value of the securities lent. The Company reinvests the cash collateral into short-term investments.

- 4. Not applicable.

NOTES TO FINANCIAL STATEMENTS

5. Collateral Reinvestment

a. Aggregate amount collateral reinvested

1. Repurchase agreement - Not applicable.

	<u>Amortized</u> <u>Cost</u>	<u>Fair</u> <u>Value</u>
2. Securities Lending		
(a) Open	\$ -	\$ -
(b) 30 days or less	43,688,479	43,692,059
(c) 31 to 60 days	5,000,021	5,000,139
(d) 61 to 90 days	5,600,431	5,600,846
(e) 91 to 120 days	6,400,010	6,399,032
(f) 121 to 180 days	2,305,138	2,306,234
(g) 181 to 365 days	22,568,758	22,573,836
(h) 1 to 2 years	26,343,743	26,325,746
(i) 2 to 3 years	11,944,696	11,939,809
(j) Greater than 3 years	19,118,037	19,109,312
(k) Sub-total	<u>\$ 142,969,313</u>	<u>\$ 142,947,013</u>
(l) Securities received	<u>21,089,762</u>	<u>21,089,762</u>
(m) Total collateral reinvested	<u><u>\$ 164,059,075</u></u>	<u><u>\$ 164,036,775</u></u>

3. Dollar repurchase agreement - Not applicable.

b. Not applicable.

6. Not applicable.

7. Not applicable.

F. Real Estate

1. The Company did not recognize any impairment losses on its investment real estate at December 31, 2014 or 2013.

2.

- a. On November 7, 2014, the Company sold a property located in Mason, Ohio for \$22,500,000. The Company has an agreement to lease back that property for 12 years.
- b. The Company recognized a gain of \$6,447,711 on the sale of the building. The gain is deferred in a special surplus account and is being amortized to income over the period of the lease.

3. Not applicable.

4. The Company did not engage in retail land sales operations during 2014 or 2013.

5. Not applicable.

G. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during 2014 or 2013.

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted assets (including pledged)

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under security lending agreements	164,059,075	109,519,426	54,539,649	164,059,075	7.7%	8.0%
c. Subject to repurchase agreements	-	-	-	-	0.0%	0.0%
d. Subject to reverse repurchase agreements	-	-	-	-	0.0%	0.0%
e. Subject to dollar repurchase agreements	-	-	-	-	0.0%	0.0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	0.0%	0.0%
g. Placed under option contracts	-	-	-	-	0.0%	0.0%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	0.0%	0.0%
i. FHLB capital stock	6,538,800	6,538,800	-	6,538,800	0.3%	0.3%
j. On deposit with states	400,218	400,649	(431)	400,218	0.0%	0.0%
k. On deposit with other regulatory bodies	-	-	-	-	0.0%	0.0%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	150,073,082	166,263,877	(16,190,795)	150,073,082	7.1%	7.3%
m. Pledged as collateral not captured in other categories	-	-	-	-	0.0%	0.0%
n. Other restricted assets	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$ 321,071,175	\$ 282,722,752	\$ 38,348,423	\$ 321,071,175	15.1%	15.6%

2. Not applicable.

3. Not applicable.

I. Working Capital Finance Investments

Not applicable.

J. Offsetting and Netting of Assets and Liabilities

The Company did not have any offsetting or netting of assets and liabilities at December 31, 2014 and 2013.

K. Structured Notes

The Company did not have any structured notes at December 31, 2014 and 2013.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets at December 31, 2014 or 2013.

B. The Company did not recognize any impairment write down for its investments in joint ventures, partnerships or limited liability companies during 2014 or 2013.

7. Investment Income

A. All investment income due and accrued with amounts that are over 90 days past due is non-admitted.

NOTES TO FINANCIAL STATEMENTS

B. At December 31, 2014 all accrued investment income was admitted. At December 31, 2013 there was \$19,077 non-admitted accrued investment income.

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

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

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

12/31/2014		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 73,605,239	\$ - \$ 73,605,239
(b) Statutory Valuation Allowance Adjustments	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	73,605,239	- 73,605,239
(d) Deferred Tax Assets Nonadmitted	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	73,605,239	- 73,605,239
(f) Deferred Tax Liabilities	29,633	34,925,678 34,955,311
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 73,575,606	\$ (34,925,678) \$ 38,649,928

12/31/2013		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 65,839,139	\$ 368,386 \$ 66,207,525
(b) Statutory Valuation Allowance Adjustments	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	65,839,139	368,386 66,207,525
(d) Deferred Tax Assets Nonadmitted	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	65,839,139	368,386 66,207,525
(f) Deferred Tax Liabilities	70,022	31,468,374 31,538,396
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 65,769,117	\$ (31,099,988) \$ 34,669,129

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 7,766,100	\$ (368,386) \$ 7,397,714
(b) Statutory Valuation Allowance Adjustments	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	7,766,100	(368,386) 7,397,714
(d) Deferred Tax Assets Nonadmitted	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	7,766,100	(368,386) 7,397,714
(f) Deferred Tax Liabilities	(40,389)	3,457,304 3,416,915
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 7,806,489	\$ (3,825,690) \$ 3,980,799

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

NOTES TO FINANCIAL STATEMENTS

				12/31/2014		
				(1)	(2)	(3)
				Ordinary	Capital	(Col 1+2) Total
Admission Calculation Components SSAP No. 101						
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.				\$	58,408,888	\$ - \$ 58,408,888
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)					2,810,619	- 2,810,619
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.					2,810,619	- 2,810,619
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.					XXX	XXX 116,012,147
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.					12,385,732	- 12,385,732
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.						
Total (2(a) + 2(b) + 2(c))				\$	73,605,239	\$ - \$ 73,605,239

12/31/2013			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 51,160,975	\$ 367,303	\$ 51,528,278
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	2,680,409	-	2,680,409
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	2,680,409	-	2,680,409
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	111,484,624
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	11,997,755	1,083	11,998,838
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 65,839,139	\$ 368,386	\$ 66,207,525

				Change		
				(7)	(8)	(9)
				(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
Admission Calculation Components SSAP No. 101						
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.				\$	7,247,913	\$ (367,303) \$ 6,880,610
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)					130,210	- 130,210
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.					130,210	- 130,210
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.				XXX	XXX	4,527,523
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.					387,977	(1,083) 386,894
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.						
Total (2(a) + 2(b) + 2(c))				\$	7,766,100	\$ (368,386) \$ 7,397,714

3.	2014	2013
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	431%	433%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 773,414,316	\$ 743,230,826

NOTES TO FINANCIAL STATEMENTS

4.

12/31/2014		12/31/2013		Change	
(1)	(2)	(3)	(4)	(5)	(6)
Ordinary	Capital	Ordinary	Capital	(Col 1-3) Ordinary	(Col 2-4) Capital

Impact of Tax-Planning Strategies

(a) Determination of Adjusted Gross
Deferred Tax Assets and Net
Admitted Deferred Tax Assets, By
Tax Character As A Percentage.

1. Adjusted Gross DTAs
Amount From Note 9A1(c)

\$ 73,605,239 \$ - \$ 65,839,139 \$ 368,386 \$ 7,766,100 \$ (368,386)

2. Percentage of Adjusted
Gross DTAs By Tax
Character Attributable To
The Impact Of Tax Planning
Strategies

0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

3. Net Admitted Adjusted
Gross DTAs Amount From
Note 9A1(e)

\$ 73,605,239 \$ - \$ 65,839,139 \$ 368,386 \$ 7,766,100 \$ (368,386)

4. Percentage of Net Admitted
Adjusted Gross DTAs By
Tax Character Admitted
Because Of The Impact Of
Tax Planning Strategies

0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes _____ No X

B. The Company has no unrecognized deferred tax liabilities at December 31, 2014 and 2013.

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

	(1)	(2)	(3)
	12/31/2014	12/31/2013	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 181,973,149	\$ 168,795,555	\$ 13,177,594
(b) Foreign	-	-	-
(c) Subtotal	181,973,149	168,795,555	13,177,594
(d) Federal income tax expense on net capital gains	4,764,052	8,857,325	(4,093,273)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 186,737,201	\$ 177,652,880	\$ 9,084,321

NOTES TO FINANCIAL STATEMENTS

(1)	(2)	(3)
12/31/2014	12/31/2013	(Col 1-2) Change

2. Deferred Tax Assets:

(a) Ordinary

(1) Discounting of unpaid losses	\$ 1,849,973	\$ 1,974,428	\$ (124,455)
(2) Unearned premium reserve	3,090,234	2,070,170	1,020,064
(3) Policyholder reserves	10,187,262	10,020,720	166,542
(4) Investments	-	-	-
(5) Deferred acquisition costs	6,013,512	6,188,005	(174,493)
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	725,561	3,175,785	(2,450,224)
(8) Compensation and benefits accrual	1,092,182	1,669,039	(576,857)
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	24,167,283	19,415,111	4,752,172
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	2,360,915	144,271	2,216,644
(14) Accrued future expenses	8,178,526	5,258,193	2,920,333
(15) Amortization	6,348,089	7,210,022	(861,933)
(16) Partnership income	-	-	-
(17) Premium deficiency reserves	-	-	-
(18) Prepaid expenses	231,768	220,544	11,224
(19) State tax liability	9,359,934	8,492,851	867,083
(20) Write-ins	-	-	-
(99) Subtotal	73,605,239	65,839,139	7,766,100

(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-

(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	73,605,239	65,839,139	7,766,100
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(e) Capital:

(1) Investments	-	-	-
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	7,577	(7,577)
(5) Investment partnership	-	360,809	(360,809)
(99) Subtotal	-	368,386	(368,386)

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

(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	368,386	(368,386)
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(i) Admitted deferred tax assets (2d + 2h)	\$ 73,605,239	\$ 66,207,525	\$ 7,397,714
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NOTES TO FINANCIAL STATEMENTS

(1)	(2)	(3)
12/31/2014	12/31/2013	(Col 1-2) Change

3. Deferred Tax Liabilities:

(a) Ordinary

(1) Investments	\$ -	\$ -	\$ -
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(6) Coordination of benefits discount	29,633	70,022	(40,389)
(99) Subtotal	29,633	70,022	(40,389)

(b) Capital:

(1) Investments	32,603,609	31,151,805	1,451,804
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(4) Investment in partnership income	2,322,069	316,569	2,005,500
(99) Subtotal	34,925,678	31,468,374	3,457,304

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

\$ 34,955,311	\$ 31,538,396	\$ 3,416,915
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4. Net deferred tax assets/liabilities
(2i - 3c)

\$ 38,649,928	\$ 34,669,129	\$ 3,980,799
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D. The Company's income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory income tax rate of 35% for the year ended December 31 as follows:

	2014	2013
Tax expense computed using federal statutory rate	\$ 162,263,323	\$ 199,544,661
Change in nonadmitted assets	(3,302,913)	2,608,226
Tax exempt income and dividend received deduction net of proration	(5,274,584)	(5,706,297)
Prior year true-ups and adjustments	(28,297)	63,257
Interest (FIT and SIT)	167,027	(104,275)
Revenue agent report settlements	1,651,952	-
Sale of Radiant Services, LLC.	689,689	-
ACA health insurer fee	25,050,755	-
Other	130,625	164,079
Total	\$ 181,347,577	\$ 196,569,651
Federal income tax incurred	\$ 186,737,201	\$ 177,652,880
Change in net deferred income taxes	(5,389,624)	18,916,771
Total statutory income taxes	\$ 181,347,577	\$ 196,569,651

NOTES TO FINANCIAL STATEMENTS

E. Operating loss carryforwards:

- 1. The Company had no operating loss carryforwards and no tax credit carryforwards as of December 31, 2014.
- 2. The following are income taxes incurred in the current and prior year(s) that will be available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
2014	\$ 184,024,261	\$ 5,324,769	\$ 189,349,030
2013	162,871,267	9,196,569	172,067,836
2012	N/A	10,080,150	10,080,150

- 3. The Company has no protective tax deposits reported as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2014 and 2013.

F. The following companies will be included in the consolidated federal income tax return with their parent Anthem, Inc. as of December 31, 2014 and either are current members of the consolidated tax sharing agreement or are in the process of being added to the consolidated tax sharing agreement. Allocation of federal income taxes with affiliates subject to the tax sharing agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

1-800 CONTACTS PARENT CORP.	CareMore Health Plan of Texas, Inc.
1-800 CONTACTS PARENT HOLDINGS CORP.	CareMore Health System
1-800 CONTACTS, INC.	CareMore Holdings, Inc.
American Imaging Management, Inc.	Cerulean Companies, Inc.
AMERIGROUP Arizona, Inc.	Claim Management Services, Inc.
AMERIGROUP California, Inc.	Community Insurance Company
AMERIGROUP Colorado, Inc.	Compcare Health Services Insurance Corporation
AMERIGROUP Community Care of Arizona, Inc.	Crossroads Acquisition Corp
AMERIGROUP Community Care of Mississippi, Inc.	DeCare Analytics, LLC
AMERIGROUP Community Care of New Mexico, Inc.	DeCare Dental Health International, LLC
AMERIGROUP Connecticut, Inc.	DeCare Dental Networks, LLC
AMERIGROUP Corporation	DeCare Dental, LLC
AMERIGROUP Delaware, Inc.	Designated Agent Company, Inc.
AMERIGROUP Florida, Inc.	EHC Benefits Agency, Inc.
AMERIGROUP Hawaii, Inc.	Empire HealthChoice Assurance, Inc.
AMERIGROUP Health Solutions, Inc.	Empire HealthChoice HMO, Inc.
AMERIGROUP Indiana, Inc.	EVISION, INC.
Amerigroup Insurance Company	Forty-Four Forty-Four Forest Park Redevelopment Corp
Amerigroup Kansas, Inc.	Golden West Health Plan, Inc.
AMERIGROUP Louisiana, Inc.	Government Health Services, LLC
AMERIGROUP Maine, Inc.	Health Core, Inc.
AMERIGROUP Maryland, Inc.	Health Management Corporation
AMERIGROUP Massachusetts, Inc.	HealthKeepers, Inc.
AMERIGROUP Michigan, Inc.	HealthLink HMO, Inc.
AMERIGROUP Nevada, Inc.	HealthLink, Inc.
AMERIGROUP New Jersey, Inc.	Healthy Alliance Life Insurance Company
AMERIGROUP New York, LLC	HMO Colorado, Inc.

NOTES TO FINANCIAL STATEMENTS

AMERIGROUP Ohio, Inc.	HMO Missouri, Inc.
AMERIGROUP Pennsylvania, Inc.	Imaging Management Holdings, LLC
AMERIGROUP Puerto Rico, Inc.	Imaging Providers of Texas
Amerigroup Services, Inc.	Matthew Thornton Health Plan, Inc.
AMERIGROUP Tennessee, Inc.	National Government Services, Inc.
AMERIGROUP Texas, Inc.	OneNation Insurance Company
AMERIGROUP Washington, Inc.	Park Square Holdings, Inc.
AMERIGROUP Wisconsin, Inc.	Park Square I, Inc.
AMGP Georgia Managed Care Company, Inc.	Park Square II, Inc.
AMGP Georgia, Inc.	PHP Holdings, Inc.
Anthem Blue Cross Life and Health Insurance Company	R&P Realty, Inc.
Anthem Financial, Inc.	Resolution Health, Inc.
Anthem Health Insurance Company of Nevada	RightCHOICE Insurance Company
Anthem Health Plans of Kentucky, Inc.	RightCHOICE Managed Care, Inc.
Anthem Health Plans of Maine, Inc.	Rocky Mountain Hospital and Medical Service, Inc.
Anthem Health Plans of New Hampshire, Inc.	SellCore, Inc.
Anthem Health Plans of Virginia, Inc.	Southeast Services, Inc.
Anthem Health Plans, Inc.	State Sponsored Business UM Services, Inc.
Anthem Holding Corp.	The Anthem Companies of California, Inc.
Anthem Insurance Companies, Inc.	The Anthem Companies, Inc.
Anthem Kentucky Managed Care Plan, Inc.	TrustSolutions, LLC
Anthem Life & Disability Insurance Company	UNICARE Health Insurance Company of the Midwest
Anthem Southeast, Inc.	UNICARE Health Plan of Kansas, Inc.
Anthem UM Services, Inc.	UNICARE Health Plan of West Virginia, Inc.
Anthem, Inc.	UNICARE Health Plans of Texas, Inc.
Arcus Enterprises, Inc.	UNICARE Health Plans of the Midwest, Inc.
ARCUS HealthyLiving Services, Inc.	UNICARE Illinois Services, Inc.
Associated Group, Inc.	UNICARE Life & Health Insurance Company
Blue Cross and Blue Shield of Georgia, Inc.	UNICARE National Services, Inc.
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	UNICARE Specialty Services, Inc.
Blue Cross Blue Shield of Wisconsin	UtiliMed IPA, Inc.
Blue Cross of California	WellPoint Behavioral Health, Inc.
Blue Cross of California Partnership Plan, Inc.	WellPoint California Services, Inc.
CareMore Health Group, Inc.	WellPoint Dental Services, Inc.
CareMore Health Plan	WellPoint Holding Corporation
CareMore Health Plan of Arizona, Inc.	WellPoint Information Technology Services, Inc.
CareMore Health Plan of Colorado, Inc.	WellPoint Insurance Services, Inc.
CareMore Health Plan of Georgia, Inc.	WellPoint Military Care Corporation
CareMore Health Plan of Nevada	

G. Not applicable.

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

A. Nature of the Relationship

The Company is an Ohio domiciled stock insurance company and is a wholly-owned subsidiary of ATH Holding Company, LLC (“ATH Holding”), which is a wholly-owned subsidiary of Anthem, Inc. (“Anthem”), a publicly traded company. The shareholders of Anthem approved a proposal to amend its articles of incorporation to change the name to Anthem, Inc. from WellPoint, Inc. The name change was effective December 2, 2014.

B. Significant Transactions for Each Period

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

The Board of Directors of the Company declared an ordinary dividend in the amount of \$75,000,000 on December 15, 2014. The Company paid this dividend to its parent company, ATH Holding, on December 29, 2014.

The Board of Directors of the Company declared an ordinary dividend in the amount of \$175,000,000 on June 4, 2014. The Company paid this dividend to its parent company, ATH Holding, on June 20, 2014.

The Board of Directors of the Company declared an ordinary dividend in the amount of \$205,000,000 on December 11, 2013. The Company paid this dividend to its parent company, ATH Holding, on December 26, 2013.

NOTES TO FINANCIAL STATEMENTS

The Board of Directors of the Company declared an ordinary dividend in the amount of \$175,000,000 on June 4, 2013. The Company paid this dividend to its parent company, ATH Holding, on June 19, 2013.

C. Intercompany Management and Service Arrangements

There were no changes to intercompany management and service arrangements, and there were no additional arrangements entered into during 2014 or 2013. The amounts of transactions under such agreements are included in Schedule Y, Part 2.

D. Amounts Due to or from Related Parties

At December 31, 2014 and 2013, the Company reported \$163,968,657 and \$117,180,510 due from affiliates and \$65,033,123 and \$93,271,158 due to affiliates, respectively. The receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreement.

E. Guarantees or Contingencies for Related Parties

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

F. Management and Service Agreements and Cost Sharing Arrangements

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

The Company is party to a cash concentration agreement with its affiliated companies. Under this agreement, any of the Company's affiliates may be designated as a cash manager to handle the collection and/or payment of funds on behalf of the Company. Conversely, the Company may be designated as a cash manager to handle the collection and/or payment of funds on behalf of its affiliates. Cash services covered under this agreement include the collection of premiums and other revenue, the collection of benefit and administrative expense reimbursements, the payment of policy benefits, payroll expense, general and administrative expense, and accounts payable disbursements.

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

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

H. Amount Deducted for Investment in Upstream Company

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

Not applicable.

K. Investment in a Foreign Insurance Subsidiary

The Company does not have investments in foreign insurance subsidiaries.

L. Investment in Downstream Non-insurance Holding Companies

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

11. Debt

A. Capital Notes

The Company had no capital notes outstanding at December 31, 2014 and 2013.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank of Cincinnati (“FHLBC”). Through its membership, the Company has conducted business activity (borrowings) with the FHLBC. It is part of the Company’s strategy to utilize these funds as working capital. The company has determined the actual maximum borrowing capacity as \$150,000,000. The Company calculated this amount in accordance with current FHLB capital stock.

2. FHLB Capital Stock

a. Aggregate Totals

1. Current year

	Total
(a) Membership stock - Class A	\$ -
(b) Membership stock - Class B	\$ 2,831,159
(c) Activity stock	\$ 3,707,641
(d) Excess stock	\$ -
(e) Aggregate total	\$ 6,538,800
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 150,000,000

2. Prior year-end

	Total
(a) Membership stock - Class A	\$ -
(b) Membership stock - Class B	\$ 2,983,045
(c) Activity stock	\$ 3,555,755
(d) Excess stock	\$ -
(e) Aggregate total	\$ 6,538,800
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 150,000,000

NOTES TO FINANCIAL STATEMENTS

b. Membership Stock (Class A and B) Eligible for Redemption

Membership Stock	Current Year Total	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Class B	\$ 2,831,159	\$ 2,831,159	\$ -	\$ -	\$ -	\$ -

3. Collateral Pledged to FHLB

a. Amount pledged as of reporting date

1. Current year total

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total collateral pledged	\$ 154,514,334	\$ 150,073,082	\$ 100,000,000

2. Prior year-end total

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total collateral pledged	\$ 164,996,231	\$ 166,263,877	\$ 150,000,000

b. Maximum amount pledged during reporting period

1. Current year total

	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
Maximum collateral pledged	\$ 162,519,370	\$ 164,097,478	\$ 150,000,000

2. Prior year-end total

	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
Maximum collateral pledged	\$ 164,996,231	\$ 166,263,877	\$ 150,000,000

NOTES TO FINANCIAL STATEMENTS

4. Borrowing from FHLB

a. Amount as of the reporting date

1. Current year

	Total	Funding Agreements Reserves Established
(a) Debt	\$ 100,000,000	XXX
(b) Funding agreements	\$ -	\$ -
(c) Other	\$ -	XXX
(d) Aggregate total	\$ 100,000,000	\$ -

2. Prior year-end

	Total	Funding Agreements Reserves Established
(a) Debt	\$ 150,000,000	XXX
(b) Funding agreements	\$ -	\$ -
(c) Other	\$ -	XXX
(d) Aggregate total	\$ 150,000,000	\$ -

b. Maximum amount during reporting period (current year)

	Total
1. Debt	\$ 150,000,000
2. Funding agreements	\$ -
3. Other	\$ -
4. Aggregate total	\$ 150,000,000

c. FHLB - Prepayment obligations

	Does the Company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding agreements	No
3. Other	No

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

A. Defined Benefit Plan

Not applicable – See Note 12G.

B. Not applicable – See Note 12G.

C. Not applicable – See Note 12G.

D. Not applicable – See Note 12G.

E. Defined Contribution Plan

Not applicable – See Note 12G.

F. Multiemployer Plan

The Company does not participate in a multiemployer plan.

NOTES TO FINANCIAL STATEMENTS

G. Consolidated/Holding Company Plans

The Company participates in the Anthem Cash Balance Pension Plan (the “Plan”), a frozen non-contributory defined benefit pension plan sponsored by ATH Holding covering most employees of Anthem and its subsidiaries. ATH Holding allocates a share of the total accumulated (credits) costs of the Plan to the Company based on the number of allocated employees. During 2014 and 2013, these (credits) costs totaled (\$2,328,391) and \$1,195,847, respectively. The Company has no legal obligation for benefits under this plan.

The Company participates in a postretirement medical benefit plan, sponsored by ATH Holding, providing certain health, life, vision and dental benefits to eligible retirees. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. During 2014 and 2013, these costs totaled \$92,190 and \$1,569,549, respectively. The Company has no legal obligation for benefits under this plan.

The Company participates in a deferred compensation plan sponsored by Anthem which covers certain employees. The deferred amounts are payable according to the terms and subject to the conditions of said deferred compensation agreements. Anthem allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees subject to the deferred compensation agreements. During 2014 and 2013, these costs totaled \$212,658 and \$220,662. The Company has no legal obligation for benefits under this plan.

The Company participates in the Anthem 401(k) Retirement Savings Plan, sponsored by ATH Holding and covering substantially all employees. Voluntary employee contributions are matched by ATH Holding subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. During 2014 and 2013, these costs totaled \$7,426,369 and \$6,562,920, respectively. The Company has no legal obligation for benefits under these plans.

H. Post Employment Benefits and Compensated Absences

Liabilities for earned not yet taken vacation and severance benefits have been accrued as of December 31, 2014 and 2013.

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

Not applicable.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations**(1) Outstanding Shares**

As of December 31, 2014, the Company has 750 shares of \$10,000 par value common stock authorized. The number of shares issued and outstanding is 114.23.

(2) Preferred Stock

The Company has no preferred stock outstanding.

(3) Dividend Restrictions

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

NOTES TO FINANCIAL STATEMENTS

December 31. Also, any dividend paid from other than earned surplus shall be considered an extraordinary dividend.

(4) Dividends Paid

See Footnote 10B.

(5) Maximum Ordinary Dividend During 2015

Within the limitations of (3) above, the Company may pay \$276,872,294 in dividends during 2015 without prior approval.

(6) Unassigned Surplus Restrictions

Unassigned surplus funds are not restricted at December 31, 2014.

(7) Mutual Surplus Advances

Not applicable.

(8) Company Stock Held for Special Purpose

There are no shares of stock held for special purposes at December 31, 2014.

(9) Changes in Special Surplus Funds

The changes in balances of special surplus funds from the prior year are due to amounts segregated for the estimated 2015 ACA health insurer fee as well as the deferred gain on the Company's sale-leaseback transaction.

(10) Changes in Unassigned Funds

The portion of unassigned funds represented by cumulative unrealized gains was \$116,742,748 at December 31, 2014.

(11) Surplus Notes

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

(12) Restatement due to Prior Quasi-reorganizations

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

(13) Quasi-reorganizations over Prior 10 Years

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

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

(1) The Company has a commitment to contribute an additional \$50,176,014 related to the Company's investment in joint ventures.

(2) Not applicable.

(3) Not applicable.

NOTES TO FINANCIAL STATEMENTS

B. Assessments

- (1) The company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of the assessment or at the time the losses are incurred. The Company maintained a liability of \$1,107,124 for guaranty fund assessments as of December 31, 2014 and 2013. This represented management's best estimate based on information received from the states in which the Company wrote business. Actual assessments could differ from management's estimates depending on the ultimate cost of insurer insolvencies.

The Company is assessed amounts by the Ohio Health Reinsurance Program ("OHRP") to provide health insurance to Ohio residents who have lost their employer-sponsored group health insurance and/or who are unable to find adequate health insurance coverage in the private market due to their medical conditions. This program discontinued as of January 1, 2014, however the Company was obligated for claims incurred through December 31, 2013. At December 31, 2014 the Company does not have an accrual for OHRP assessments.

- (2) Not applicable.

C. Gain Contingencies

The Company has no gain contingencies at December 31, 2014.

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

Not applicable.

E. Joint and Several Liabilities

Not applicable.

F. All Other Contingencies

The National Organization of Life & Health Insurance Guaranty Associations ("NOLHGA") is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the United States. Such associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage, subject to state maximum limits, even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner, or Insurance Commissioner, has placed Penn Treaty Network America Insurance Company and its subsidiary, American Network Insurance Company, or collectively Penn Treaty, in rehabilitation - an intermediate action before insolvency. The state court denied the Insurance Commissioner's petition for the liquidation of Penn Treaty and ordered the Insurance Commissioner to file an updated plan of rehabilitation. An initial plan was filed on April 30, 2013. The Insurance Commissioner filed an amended plan on August 8, 2014 and a second amended plan on October 8, 2014. The state court set a schedule for a notice and comment period and ordered a hearing on the second amended plan, with public comments due by February 13, 2015. The Insurance Commissioner has filed a Notice of Appeal asking the Pennsylvania Supreme Court to reverse the order denying the liquidation petition. The Supreme Court held oral argument on the appeal in September 2014. In the event rehabilitation of Penn Treaty is unsuccessful and Penn Treaty is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of their policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments and the availability and amount of any potential premium tax and other offsets, the Company currently cannot estimate the net exposure, if any, to this potential

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insolvency. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to the Company's financial position or results of operations.

The Company is currently a defendant in eleven putative class actions relating to out-of-network, or OON, reimbursement that were consolidated into a single multi-district lawsuit called *In re WellPoint, Inc. (n/k/a Anthem, Inc.) Out-of-Network "UCR" Rates Litigation* that is pending in the United States District Court for the Central District of California. The lawsuits were filed in 2009. The plaintiffs include current and former members on behalf of a putative class of members who received OON services for which the defendants paid less than billed charges, the American Medical Association, four state medical associations, OON physicians, chiropractors, clinical psychologists, podiatrists, psychotherapists, the American Podiatric Association, California Chiropractic Association and the California Psychological Association on behalf of a putative class of all physicians and all non-physician health care providers. The plaintiffs have filed several amended complaints alleging that the defendants violated the Racketeer Influenced and Corrupt Organizations Act, or RICO, the Sherman Antitrust Act, ERISA, federal regulations, and state law using an OON reimbursement database called Ingenix and in our use of non-Ingenix OON reimbursement methodologies. The Company has filed motions to dismiss in response to each of those amended complaints. Our motions to dismiss have been granted in part and denied in part by the Court. The most recent pleading filed by the plaintiffs is a Fourth Amended Complaint to which the Company filed a motion to dismiss most, but not all, of the claims. In July 2013 the Court issued an Order granting in part and denying in part our motion. The court held that the state and federal anti-trust claims along with the RICO claims should be dismissed in their entirety with prejudice. The court further found that the ERISA claims, to the extent they involved non-Ingenix methodologies, along with those that involved our alleged non-disclosures should be dismissed with prejudice. The court also dismissed most of the plaintiffs' state law claims with prejudice. The only claims that remain after the court's decision are an ERISA benefits claim relating to claims priced based on Ingenix, a breach of contract claim on behalf of one subscriber plaintiff, a one breach of implied covenant claim on behalf of one plaintiff, and one subscriber plaintiff's claim under the California Unfair Competition Law. The plaintiffs filed a motion for reconsideration of the motion to dismiss order, which the court granted in part and denied in part. The court ruled that the plaintiffs adequately allege that one Georgia provider plaintiff is deemed to have exhausted administrative remedies regarding non-Ingenix methodologies based on the facts alleged regarding that plaintiff so those claims are back in the case. Fact discovery is complete. The plaintiffs filed a motion for class certification in November 2013. The plaintiffs seek the following classes: (1) a subscriber ERISA class as to OON claims processed using the Ingenix database as the pricing methodology; (2) a physician provider class as to OON claims processed using Ingenix; (3) a non-physician provider class as to OON claims processed using Ingenix; (4) a provider ERISA class as to OON claims processed using non-Ingenix pricing methodologies; (5) a California subscriber breach of contract/unfair competition class; and (6) a subscriber breach of implied covenant class for all Anthem states except California. Following expert discovery and briefing, oral argument was held on the motion. In late 2014, the court denied the plaintiffs' motion for class certification in its entirety. The California subscriber plaintiffs are seeking leave to file a renewed motion for class certification with more narrowly defined proposed classes. We will oppose their request. Earlier in the case, in 2009, the Company filed a motion in the United States District Court for the Southern District of Florida, or the Florida Court, to enjoin the claims brought by the medical doctors and doctors of osteopathy and certain medical associations based on prior litigation releases, which was granted in 2011. The Florida Court ordered the plaintiffs to dismiss their claims that are barred by the release. The plaintiffs then filed a petition for declaratory judgment asking the court to find that these claims are not barred by the releases from the prior litigation. The Company filed a motion to dismiss the declaratory judgment action, which was granted. The plaintiffs appealed the dismissal of the declaratory judgment to the United States Court of Appeals for the Eleventh Circuit, but the dismissal was upheld. The enjoined physicians have not yet dismissed their claims. The Florida Court found the enjoined plaintiffs in contempt and sanctioned them in July 2012. Those plaintiffs appealed the Florida Court's sanctions order to the United States Court of Appeals for the

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Eleventh Circuit. The Eleventh Circuit upheld the Florida court's enforcement of the injunction as it relates to the plaintiffs' RICO and antitrust claims, but vacated it as it relates to certain ERISA claims. The plaintiffs filed a petition for rehearing en banc as to the antitrust claims only, which was denied. The plaintiffs then filed a petition for writ of certiorari with the U.S. Supreme Court. The American Medical Association filed an amicus brief in support of the petition. The Company filed a response in opposition to the petition and the plaintiffs filed a reply; the petition is now full briefed and the Company is awaiting a ruling from the U.S. Supreme Court. The Company intends to vigorously defend these suits; however, their ultimate outcome cannot be presently determined.

The Company is a defendant in multiple lawsuits that were initially filed in 2012 against the Blue Cross Blue Shield Association ("BCBSA") as well as Blue Cross and/or Blue Shield licensees across the country. The cases were consolidated into a single multi-district lawsuit called *In re Blue Cross Blue Shield Antitrust Litigation* that is pending in the United States District Court for the Northern District of Alabama. Generally, the suits allege that the BCBSA and the Blue plans have engaged in a conspiracy to horizontally allocate geographic markets through license agreements and other arrangements in violation of the Sherman Antitrust Act and related state laws. The cases were brought by two putative nationwide classes of plaintiffs, health plan subscribers and providers. Subscriber and provider plaintiffs each filed consolidated amended complaints on July 1, 2013. The consolidated amended subscriber complaint was also brought on behalf of putative state classes of health plan subscribers in Alabama, Arkansas, California, Florida, Hawaii, Illinois, Louisiana, Michigan, Mississippi, Missouri, New Hampshire, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, and Texas. Defendants filed motions to dismiss in September 2013, which were argued in April 2014. In June 2014, the court denied the majority of the motions, ruling that plaintiffs had alleged sufficient facts at this stage of the litigation to avoid dismissal of their claims. Following the subsequent filing of amended complaints by each of the subscriber and provider plaintiffs, the Company filed its answers and asserted its affirmative defenses in December 2014. Discovery has commenced. The Company intends to vigorously defend these suits; however, their ultimate outcome cannot be presently determined.

In February 2015, Anthem reported that it was the target of a sophisticated external cyber-attack. The attackers gained unauthorized access to certain of Anthem's information technology systems and obtained personal information related to many of Anthem's current and former members and employees, such as names, birthdays, health care identification/social security numbers, street addresses, email addresses and employment information, including income data. To date, there is no evidence that credit card or medical information, such as claims, test results or diagnostic codes, were targeted, accessed or obtained, although no assurance can be given that Anthem will not identify additional information that was accessed or obtained.

Currently, Anthem is in the process of determining the extent of this cyber-attack and supporting federal law enforcement efforts to identify the responsible parties. Upon discovery of the cyber-attack, Anthem took immediate action to remediate the security vulnerability and retained a cybersecurity firm to evaluate the systems and identify solutions based on the evolving landscape. Anthem will provide credit monitoring and identity protection services to those who have been affected by this cyber-attack. Anthem has incurred expenses subsequent to the cyber attack to investigate and remediate this matter and expects to continue to incur expenses of this nature in the foreseeable future. Although Anthem is unable to quantify the ultimate magnitude of such expenses at this time, they may be significant. Anthem will recognize these expenses in the periods in which they are incurred.

Actions have been filed in courts in many states and other claims have been or may be asserted against Anthem on behalf of current or former members, current or former employees, shareholders or others seeking damages or other related relief, allegedly arising out of the cyber attack. State and federal agencies, including state insurance regulators, state attorneys general, and the Federal Bureau of Investigations, are investigating events related to the cyber attack, including how it occurred, its consequences and our responses. Although Anthem is cooperating in these investigations,

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Anthem may be subject to fines or other obligations, which may have an adverse effect on how we operate our business and our results of operations. Anthem has contingency plans and insurance coverage for potential liabilities of this nature, however, the coverage may not be sufficient to cover all claims and liabilities. While a loss from these matters is reasonably possible, the Company cannot reasonably estimate a range of possible losses because our investigation into the matter is ongoing, the proceedings remain in the early stages, alleged damages have not been specified, there is uncertainty as to the likelihood of a class or classes being certified or the ultimate size of any class if certified, and there are significant factual and legal issues to be resolved.

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

At December 31, 2014 and 2013, the Company reported admitted assets of \$379,352,888 and \$333,005,866, respectively in premiums receivables and in receivables due from uninsured plans. Based upon Company experience, any uncollectible receivables are not expected to exceed \$26,989,916 that was non-admitted at December 31, 2014; therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

15. Leases

A. Lessee Leasing Arrangements

1. The Company leases office space, office equipment, EDP equipment, software and terminal lines under various noncancelable operating leases. Related lease expense for 2014 and 2013 was \$3,701,019 and \$3,534,307, respectively.
2. At January 1, 2015, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1. 2015		\$ 4,443,368
2. 2016		4,322,083
3. 2017		4,323,262
4. 2018		4,245,577
5. 2019		2,026,710
6. Total		<u>\$ 19,361,000</u>

3.
 - a. The Company entered into a sale-leaseback transaction with an unaffiliated entity to lease the Mason, Ohio building for 12 years.
 - b. Not applicable.

B. Lessor Leasing Arrangements

1. The Company has not entered into any operating leases.
2. The Company has not entered into any leveraged leases.

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

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

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2014, there were no significant concentrations.

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

A. Transfers of Receivables Reported as Sales

Not applicable at December 31, 2014 and 2013.

B. Transfer and Servicing of Financial Assets

(1) The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers. At December 31, 2014 the fair value of securities loaned was \$159,191,616, and the carrying value of securities loaned was \$157,657,787.

(2) – (7) Not applicable.

C. Wash Sales

1. In the course of the Company’s asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.
2. At December 31, 2014 and 2013, there were no wash sales involving securities with an NAIC designation of 3 or below or unrated.

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

A. Administrative Services Only Plans

Not applicable at December 31, 2014 and 2013.

B. Administrative Services Contract (“ASC”) Plans

The gain from operations from ASC uninsured plans and the uninsured portion of partially insured plans during 2014 was:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 8,240,983,868	\$ -	\$ 8,240,983,868
b. Gross administrative fees accrued	452,246,783	-	452,246,783
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	8,583,423,402	-	8,583,423,402
e. Total gain or loss from operations	\$ 109,807,249	\$ -	\$ 109,807,249

NOTES TO FINANCIAL STATEMENTS

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

Not applicable at December 31, 2014 and 2013.

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

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2014 and 2013.

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
Industrial and misc	\$ -	\$ 197,677,483	\$ -	\$ 197,677,483
Total bonds	\$ -	\$ 197,677,483	\$ -	\$ 197,677,483
Common stock				
Industrial and misc	\$ 284,708,238	\$ -	\$ 6,538,803	\$ 291,247,041
Total common stocks	\$ 284,708,238	\$ -	\$ 6,538,803	\$ 291,247,041
Total assets at fair value	\$ 284,708,238	\$ 197,677,483	\$ 6,538,803	\$ 488,924,524

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

Description	Beginning Balance at 01/01/2014	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2014
a. Assets										
Common stock										
Industrial and misc	\$ 6,538,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,538,803
Total assets	\$ 6,538,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,538,803

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

B. Fair Value Measurements Under Other Accounting Pronouncements

Not applicable at December 31, 2014 and 2013.

C. Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 1,157,980,908	\$ 1,124,721,569	\$ 33,585,491	\$ 1,124,395,417	\$ -	\$ -
Common stock	291,247,041	291,247,041	284,708,238	-	6,538,803	-
Short-term investments	34,343,330	34,334,144	31,959,086	2,384,244	-	-
Cash equivalents	10,000,000	10,000,000	10,000,000	-	-	-

D. Not Practicable to Estimate Fair Value

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

21. Other Items

A. Extraordinary Items

Not applicable at December 31, 2014 and 2013.

B. Troubled Debt Restructuring

Not applicable at December 31, 2014 and 2013.

C. Other Disclosures and Unusual Items

Assets in the amount of \$400,218 and \$400,649 at December 31, 2014 and 2013, respectively, were on deposit with government authorities or trustees as required by law.

The Company participates in the Federal Employee Health Benefits Program (“FEHBP”) with other BlueCross BlueShield Plans. This program includes a fully-insured experience-rated contract, commonly known as FEP, between OPM and BlueCross BlueShield Association (“BCBSA”), which acts as an agent for the participating BlueCross BlueShield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating BlueCross BlueShield plans to provide insurance to Federal employees that enroll with the BlueCross BlueShield FEP. The excess of gross premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating BlueCross BlueShield plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other BlueCross BlueShield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If

NOTES TO FINANCIAL STATEMENTS

the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. The unaudited amounts being held in the special reserve are \$5,261,908,422 as of September 30, 2014 and \$5,752,349,886 as of December 31, 2013. The unaudited amounts being held in the contingency reserve are \$10,001,370,983 and \$9,270,691,176 as of September 30, 2014 and December 31, 2013, respectively. December 31, 2014 balances are not finalized until April 2015.

The gross premiums for the life of the program did not exceed the gross charges for the life of the program, therefore a rate stabilization reserve was not required for the Company at December 31, 2014 and December 31, 2013.

FEP represented approximately 76.0% and 78.4% of accounts receivable as of December 31, 2014 and 2013, respectively. FEP represented approximately 17.9% and 17.2% of net premiums written for the years ended December 31, 2014 and 2013, respectively.

D. Business Interruption Insurance Recoveries

The Company has reported no recoveries for business interruption for the years ended December 31, 2014 and 2013.

E. State Transferable Tax Credits

The Company did not have state transferable tax credits at December 31, 2014 and 2013.

F. Subprime Mortgage-Related Risk Exposure

1. The Company's investment strategy of providing safety and preservation of capital, sufficient liquidity to meet cash flow requirements and the attainment of a competitive after-tax investment return is supported by a well-diversified portfolio consisting of many different types of investments. The portion of the Company's investment portfolio with subprime mortgage-related risk exposure is relatively small in comparison to the overall investment portfolio, and consists of investment grade securities with no exposure to collateralized debt obligations. All mortgage related investments are monitored closely as part of the quarterly investment review performed by the Anthem Investment Impairment Review Committee.
2. At December 31, 2014, the Company did not carry investments in subprime mortgage loans in its portfolio.
3. At December 31, 2014, the Company's investment portfolio did not contain investments with subprime mortgage-related risk exposure.
4. The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2014.

G. Retained Assets

The Company did not have any retained assets at December 31, 2014 and 2013.

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent

The Company is subject to an annual fee under section 9010 of the Affordable Care Act. A health insurance company’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. The Company has written health insurance subject to the ACA assessment and expects to conduct health insurance business in 2015. The Company reflected its estimated portion of the fee payable on September 30, 2015 in special surplus.

	Current Year	Prior Year
A. ACA fee assessment payable for the upcoming year	\$ 94,793,972	\$ 73,552,000
B. ACA fee assessment paid	\$ 71,573,586	\$ -
C. Premium written subject to ACA 9010 assessment	\$ 5,032,672,467	\$ 4,824,695,283
D. Total Adjusted Capital before surplus adjustment	\$ 812,152,476	
E. Authorized Control Level before surplus adjustment	\$ 179,324,836	
F. Total Adjusted Capital after surplus adjustment	\$ 717,358,504	
G. Authorized Control Level after surplus adjustment	\$ 179,324,836	
H. Would reporting the ACA assessment as of December 31, 2014 have triggered an RBC action level (YES/NO)?	NO	

On January 9, 2015, the Company’s borrowing of \$100,000,000 from the Federal Home Loan Bank of Cincinnati matured and was paid in full. On February 17, 2015, the Company borrowed \$100,000,000 from the Federal Home Loan Bank of Cincinnati. The advance has a fixed interest rate of 0.18% and will mature on April 20, 2015.

There were no other events occurring subsequent to December 31, 2014 requiring disclosure. Subsequent events have been considered through February 24, 2015 for the statutory statement issued on February 24, 2015.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

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

Yes () No (X)

If yes, give full details.

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

Yes () No (X)

If yes, give full details.

NOTES TO FINANCIAL STATEMENTS

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (X)

If yes, give full details.

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

Yes () No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

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

\$26,721,364

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

Yes () No (X)

If yes, give full details.

B. Uncollectible Reinsurance

The Company has no uncollectible reinsurance at December 31, 2014 and 2013.

C. Commutation of Ceded Reinsurance

The Company has not commuted ceded reinsurance during 2014 and 2013.

D. Certified Reinsurer Rating Downgraded or Status Subject Revocation

The Company has no downgraded certified reinsurer ratings or status subject revocations during 2014 and 2013.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company sells accident and health policies for which the premiums vary based on loss experience. The Company estimates retrospective premium adjustments through the review of each retrospectively rated account, comparing the claim development with that anticipated in the policy contracts.
- B. The Company records accrued retrospective premium through written premium.

NOTES TO FINANCIAL STATEMENTS

- C. The amount of net premiums written by the Company in 2014 and 2013 that were subject to retrospective rating features was \$3,906,269,535 and \$3,841,435,799, respectively, which represented 74.0% and 75.7%, respectively, of total net premiums written.
- D. In accordance with the NAIC Accounting Practices and Procedures Manual, medical loss ratio rebates in accordance with the Federal 2010 Patient Protection and Affordable Care Act and Public Health Service Act, are to be reported in accordance with SSAP No. 66 – *Retrospectively Rated Contracts* (“SSAP No. 66”). A retrospectively rated contract is one which has the final policy premium calculated based on the loss experience of the insured during the term of the policy (including loss development after the term of the policy) and the stipulated formula set forth in the policy, or in the case of medical loss ratio rebates, a formula required by law. The Company based the incurred and unpaid liability amounts reported below based on its underwriting experience; actuarial, tax, and accounting estimates and assumptions at the financial statement date; as well as regulations and guidance available that is not final and subject to change prior to settlement. Accordingly, the Company’s use of estimates and assumptions in the preparation of the statutory based financial statements and related footnote disclosures may differ from actual results. Hence, the amounts reported herein are for financial reporting purposes solely and not intended to be used for settlement purposes.

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

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ 951,525	\$ -	\$ -	\$ -	\$ 951,525
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	951,525	-	-	-	951,525
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 951,525
Current Reporting Year-to-Date					
(1) Medical loss ratio rebates incurred	\$ (951,525)	\$ -	\$ -	\$ -	\$ (951,525)
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	-	-	-	-	-
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ -

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

E. Risk-Sharing Provisions of the ACA

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)?	Yes
(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year	
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ 9,673,000
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ 49,933
3. Premium adjustments payable due to ACA Risk Adjustment	\$ -
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ 9,673,000
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 49,933
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ 23,019,013
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	\$ 3,702,351
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ 32,390
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ 7,852,842
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ -
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance	\$ -
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$ 1,399,902
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ 26,721,364
9. ACA Reinsurance contributions - not reported as ceded premium	\$ 45,717,151
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ 1,786
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ -
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$ 1,786
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$ -

Line items where the amount is zero is due to no activity as of the reporting date.

- (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

Not applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

The estimated cost of claims and claims adjustment expenses attributable to insured events of prior years decreased by \$49,048,530 during 2014. This is approximately 10.1% of unpaid claims and claim adjustment expenses of \$484,617,675 as of December 31, 2013. The redundancy reflects the decreases in estimated claims and claims adjustment expenses as a result of claims payment during the year, and as additional information is received regarding claims incurred prior to 2014. Recent claim development trends are also taken into account in evaluating the overall adequacy of unpaid claims and claims adjustment expenses.

26. Intercompany Pooling Arrangements

Not applicable at December 31, 2014 and 2013.

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements

Not applicable at December 31, 2014 and 2013.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2014	\$ 15,252,451	\$ 20,073,423	\$ -	\$ -	\$ -
9/30/2014	13,995,991	18,569,515	-	-	-
6/30/2014	11,023,531	19,535,985	1,411,801	28,729,554	-
3/31/2014	14,317,598	15,064,376	1,266,517	27,712,776	1,179,467
12/31/2013	10,496,336	18,750,341	1,278,834	27,872,184	1,123,644
9/30/2013	9,921,095	17,958,820	14,835	27,581,853	379,526
6/30/2013	7,034,278	18,394,053	1,266,360	24,402,756	796,005
3/31/2013	8,512,548	16,454,762	1,200,376	24,033,573	334,255
12/31/2012	9,565,073	16,943,421	1,245,809	24,917,325	458,179
9/30/2012	7,138,210	18,087,208	1,121,122	23,339,082	1,096,036
6/30/2012	7,590,155	16,793,668	1,147,861	21,370,324	2,492,778
3/31/2012	5,345,427	18,485,826	949,456	21,615,348	1,708,592

B. Risk Sharing Receivables

Not applicable at December 31, 2014 and 2013.

29. Participating Policies

Not applicable at December 31, 2014 and 2013.

30. Premium Deficiency Reserves

The Company did not record premium deficiency reserves at December 31, 2014 and 2013.

31. Anticipated Subrogation and Other Recoveries

The Company took into account estimated anticipated subrogation and other recoveries in its determination of the liability for unpaid claims and reduced its liability by \$11,298,000 and \$9,586,000 at December 31, 2014 and 2013, respectively.

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 [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Ohio

2.1

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

Yes [] No [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.

12/31/2013

3.2

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

12/31/2012

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).

01/31/2014

3.4

By what department or departments?
Ohio Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [] No [] N/A [X]

3.6

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

Yes [] No [] N/A [X]

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?
4.12 renewals?

Yes [] No [X]
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?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

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 the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

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 [X]

7.2

If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

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

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP 111 Monument Circle, Suite 2600, Indianapolis, IN 46204
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

If the response to 10.5 is no or n/a, please explain
.....
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
JoAnn Stuckmeyer (employee), Director and Actuary III, 1831 Chestnut Street, St. Louis, MO 63103
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$
- 12.2

If, yes provide explanation:
.....
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A []
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- (a)

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

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

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

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

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
.....
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

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

GENERAL INTERROGATORIES

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

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

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 the end of year (inclusive of Separate Accounts, exclusive of policy loans):	20.21 To directors or other officers.....\$ 20.22 To stockholders not officers.....\$ 20.23 Trustees, supreme or grand (Fraternal Only)\$	
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?		Yes [] No [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 [X] No []
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:		\$

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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
24.02	If no, give full and complete information relating thereto		
24.03	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided) See Note 5E and 17B for details.		
24.04	Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$	164,059,075
24.06	If answer to 24.04 is no, report amount of collateral for other programs.	\$	
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]
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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

GENERAL INTERROGATORIES

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

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	164,036,775
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	164,059,075
24.103	Total payable for securities lending reported on the liability page.	\$	164,059,075

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 ☐

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 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	6,538,800
		25.28 On deposit with states	\$	400,218
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	150,073,082
		25.32 Other	\$	

25.3 For category (25.26) 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 ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☐ N/A ☒
If no, attach a description with this statement.

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

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 ☒ 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
Bank of New York Mellon Corporation	New York, NY

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

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

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

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

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

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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
107105	BlackRock Financial Management	New York, NY
131619	Ares Capital Management LLC	Los Angeles, CA
105006	Deutsche Asset Management	New York, NY
113878	McDonnell Investment Management, LLC	Oak Brook, IL
134852	Sankaty Advisors, LLC	Boston, MA

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

GENERAL INTERROGATORIES

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

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

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

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

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	1,169,055,713	1,202,324,238	33,268,525
30.2 Preferred stocks	0		0
30.3 Totals	1,169,055,713	1,202,324,238	33,268,525

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

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- Yes [X] No []

- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- Yes [X] No []

- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
-

- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- Yes [X] No []

- 32.2 If no, list exceptions:
-

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$1,301,791

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

1 Name	2 Amount Paid
Blue Cross Blue Shield Association	1,301,791
.....

34.1 Amount of payments for legal expenses, if any?\$3,302,734

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?\$180,043

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

1 Name	2 Amount Paid
The Success Group	90,043
Ice Miller Whiteboard	90,000
Lobbying expenses disclosed reflect amounts reported in the Lobbyist Disclosure Reports filed with the Secretary of State as well as the cost of external contractors who provided lobbying services to the Company. The amount may include expenses that may have been paid by an affiliate on behalf of the Company and, as a result, may not be included in the Underwriting Gain reported on page 4 of the 2014 Annual Statement. ....	.....
.....

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

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

Yes [X] No []

1.2

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

\$ 121,221,210

1.3

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

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 89,340,937

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 37,327,811

1.62

Total incurred claims

\$ 24,427,334

1.63

Number of covered lives

22,175

All years prior to most current three years:

1.64

Total premium earned

\$ 37,273,329

1.65

Total incurred claims

\$ 27,459,947

1.66

Number of covered lives

9,402

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 46,620,072

1.75

Total incurred claims

\$ 37,453,656

1.76

Number of covered lives

19,477

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

5,279,770,418

5,077,537,837

2.2

Premium Denominator

5,279,770,418

5,077,537,837

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

556,112,589

527,803,561

2.5

Reserve Denominator

556,112,589

527,803,561

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No []

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [] No [X]

5.2

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

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental & Vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The Company's provider contracts include insolvency provisions, continuity of care provisions and hold harmless language. Benefit certificates include continuation language allowing subscribers and dependents to continue under certain circumstances. Anthem, Inc. will assume, pay and discharge the obligations in the event the Company is insolvent.

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

61,371

8.2

Number of providers at end of reporting year

64,423

9.1

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

Yes [X] No []

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$ 27,645,847

9.22

Business with rate guarantees over 36 months

\$

28

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

GENERAL INTERROGATORIES

10.1

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

Yes [X] No []

10.2

If yes:

10.21

Maximum amount payable bonuses

\$ 6,683,673

10.22

Amount actually paid for year bonuses

\$ 11,761,680

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.

\$ 2,500,000

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [] No [X]

11.6

If the amount is calculated, show the calculation

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

1
Name of Service Area
State of Ohio
State of Indiana

13.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2

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

\$

13.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4

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

\$

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [] No [] N/A [X]

14.2

If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	5	6	7
				Letters of Credit	Trust Agreements	Other

15.

Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1

Direct Premium Written

\$

15.2

Total Incurred Claims

\$

15.3

Number of Covered Lives

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

FIVE-YEAR HISTORICAL DATA

	1 2014	2 2013	3 2012	4 2011	5 2010
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	2,014,267,869	1,887,439,223	1,988,697,450	1,882,344,244	1,994,795,669
2. Total liabilities (Page 3, Line 24)	1,202,115,393	1,109,056,437	1,233,878,958	1,190,233,898	1,271,536,362
3. Statutory surplus	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
4. Total capital and surplus (Page 3, Line 33)	812,152,476	778,382,786	754,818,492	692,110,346	723,259,307
Income Statement (Page 4)					
5. Total revenues (Line 8)	5,309,220,422	5,102,158,886	5,229,538,922	4,517,103,718	4,141,723,181
6. Total medical and hospital expenses (Line 18)	4,366,679,675	4,256,225,696	4,412,907,954	3,672,016,330	3,266,036,454
7. Claims adjustment expenses (Line 20)	111,950,331	110,638,552	91,327,645	65,336,799	73,066,409
8. Total administrative expenses (Line 21)	433,286,971	293,599,781	288,278,639	317,776,760	329,891,538
9. Net underwriting gain (loss) (Line 24)	392,877,479	459,352,599	441,036,852	467,208,829	476,157,780
10. Net investment gain (loss) (Line 27)	64,085,296	99,576,301	87,653,254	78,381,511	84,739,204
11. Total other income (Lines 28 plus 29)	1,882,668	2,341,378	5,111,122	2,819,716	63,412
12. Net income or (loss) (Line 32)	276,872,294	392,474,723	380,133,924	367,276,522	375,666,962
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	280,415,320	278,791,260	324,298,261	389,001,866	(917,962,528)
Risk-Based Capital Analysis					
14. Total adjusted capital	812,152,476	778,382,786	754,818,492	692,110,346	723,259,307
15. Authorized control level risk-based capital	179,324,836	171,874,867	174,669,499	166,623,585	149,642,575
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,974,741	1,899,391	1,875,569	1,743,198	1,729,649
17. Total members months (Column 6, Line 7)	24,051,555	22,723,313	22,536,688	20,964,701	20,701,945
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	82.2	83.4	84.4	81.3	78.8
20. Cost containment expenses	1.2	1.3	0.9	1.3	1.4
21. Other claims adjustment expenses	0.9	0.9	0.9	0.1	0.4
22. Total underwriting deductions (Line 23)	92.6	91.0	91.6	89.7	88.5
23. Total underwriting gain (loss) (Line 24)	7.4	9.0	8.4	10.3	11.5
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	417,353,240	418,905,629	362,513,257	329,883,419	282,290,352
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	468,951,454	482,177,132	402,560,518	338,936,907	359,006,701
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)				0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)				0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
31. All other affiliated		1,030,882	1,031,177	18,517,811	
32. Total of above Lines 26 to 31	0	1,030,882	1,031,177	18,517,811	0
33. Total investment in parent included in Lines 26 to 31 above.					

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

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
			1	Direct Business Only						
				2	3	4	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
States, etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX				
1.	Alabama	AL	N							.0
2.	Alaska	AK	N							.0
3.	Arizona	AZ	N							.0
4.	Arkansas	AR	N							.0
5.	California	CA	N							.0
6.	Colorado	CO	N							.0
7.	Connecticut	CT	N							.0
8.	Delaware	DE	N							.0
9.	District of Columbia	DC	N							.0
10.	Florida	FL	N							.0
11.	Georgia	GA	N							.0
12.	Hawaii	HI	N							.0
13.	Idaho	ID	N							.0
14.	Illinois	IL	N							.0
15.	Indiana	IN	L		(246,243)					(246,243)
16.	Iowa	IA	N							.0
17.	Kansas	KS	N							.0
18.	Kentucky	KY	N							.0
19.	Louisiana	LA	N							.0
20.	Maine	ME	N							.0
21.	Maryland	MD	N							.0
22.	Massachusetts	MA	N							.0
23.	Michigan	MI	N							.0
24.	Minnesota	MN	N							.0
25.	Mississippi	MS	N							.0
26.	Missouri	MO	N							.0
27.	Montana	MT	N							.0
28.	Nebraska	NE	N							.0
29.	Nevada	NV	N							.0
30.	New Hampshire	NH	N							.0
31.	New Jersey	NJ	N							.0
32.	New Mexico	NM	N							.0
33.	New York	NY	N							.0
34.	North Carolina	NC	N							.0
35.	North Dakota	ND	N							.0
36.	Ohio	OH	L	3,080,303,305	1,256,319,973		944,793,285			5,281,416,563
37.	Oklahoma	OK	N							.0
38.	Oregon	OR	N							.0
39.	Pennsylvania	PA	N							.0
40.	Rhode Island	RI	N							.0
41.	South Carolina	SC	N							.0
42.	South Dakota	SD	N							.0
43.	Tennessee	TN	N							.0
44.	Texas	TX	N							.0
45.	Utah	UT	N							.0
46.	Vermont	VT	N							.0
47.	Virginia	VA	N							.0
48.	Washington	WA	N							.0
49.	West Virginia	WV	N							.0
50.	Wisconsin	WI	N							.0
51.	Wyoming	WY	N							.0
52.	American Samoa	AS	N							.0
53.	Guam	GU	N							.0
54.	Puerto Rico	PR	N							.0
55.	U.S. Virgin Islands	VI	N							.0
56.	Northern Mariana Islands	MP	N							.0
57.	Canada	CAN	N							.0
58.	Aggregate other alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59.	Subtotal		XXX	3,080,303,305	1,256,073,730	.0	944,793,285	.0	5,281,170,320	.0
60.	Reporting entity contributions for Employee Benefit Plans		XXX							.0
61.	Total (Direct Business)	(a)	2	3,080,303,305	1,256,073,730	0	944,793,285	0	5,281,170,320	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
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	0	0	0	0	0	0	0

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

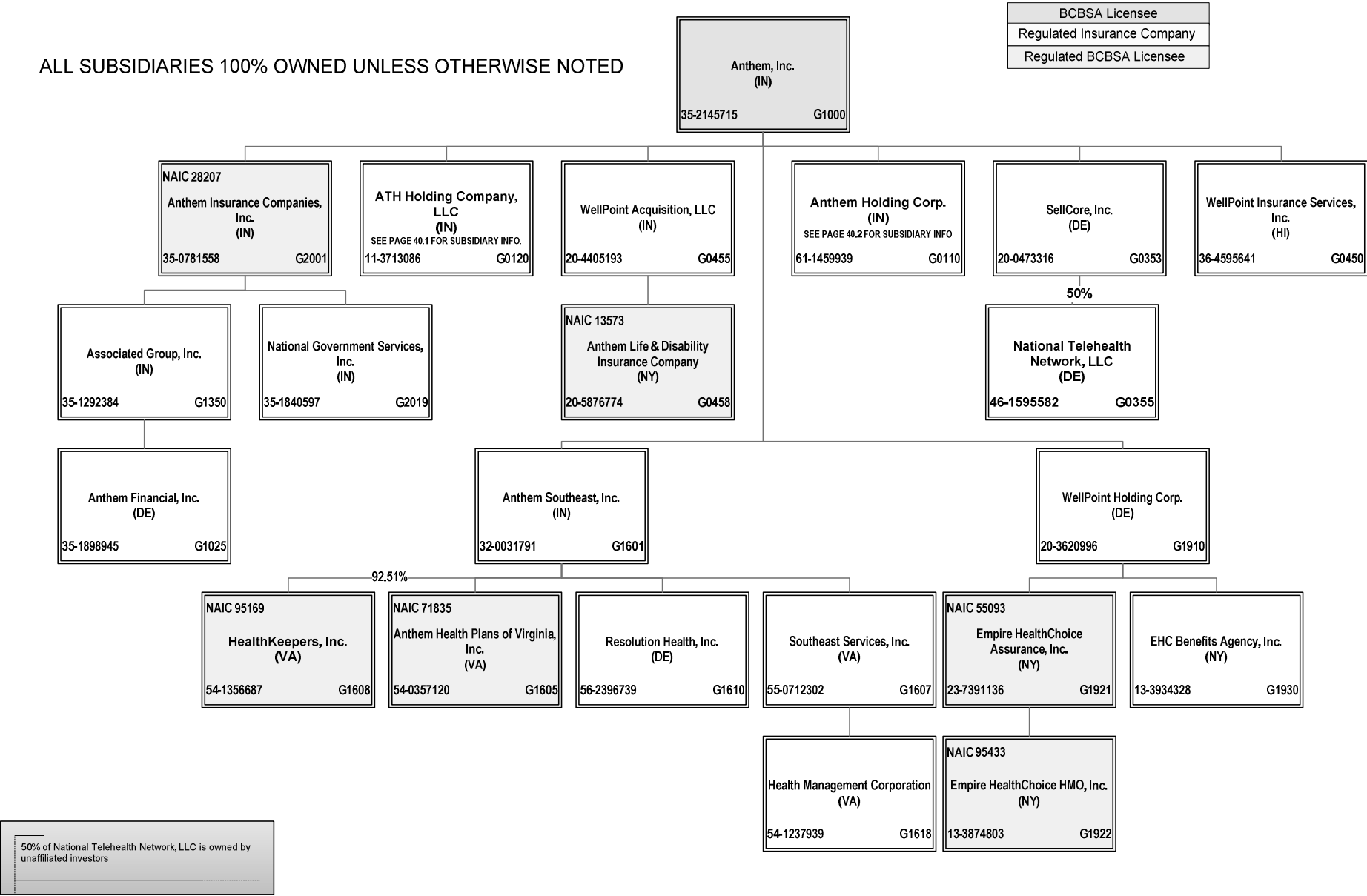
Explanation of basis of allocation by states, premiums by state, etc.

Allocate based on the situs of the contract.

(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

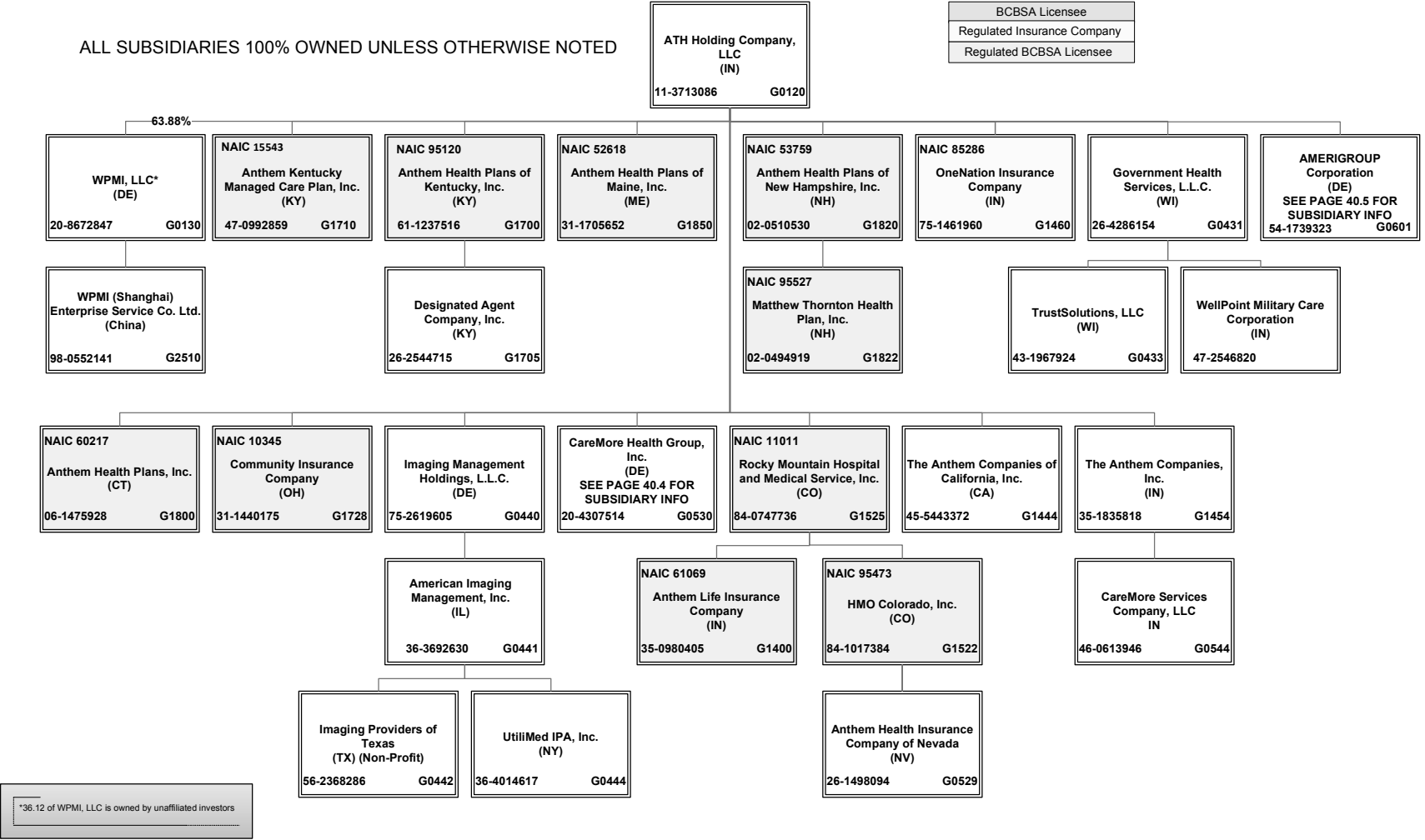
ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED



ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

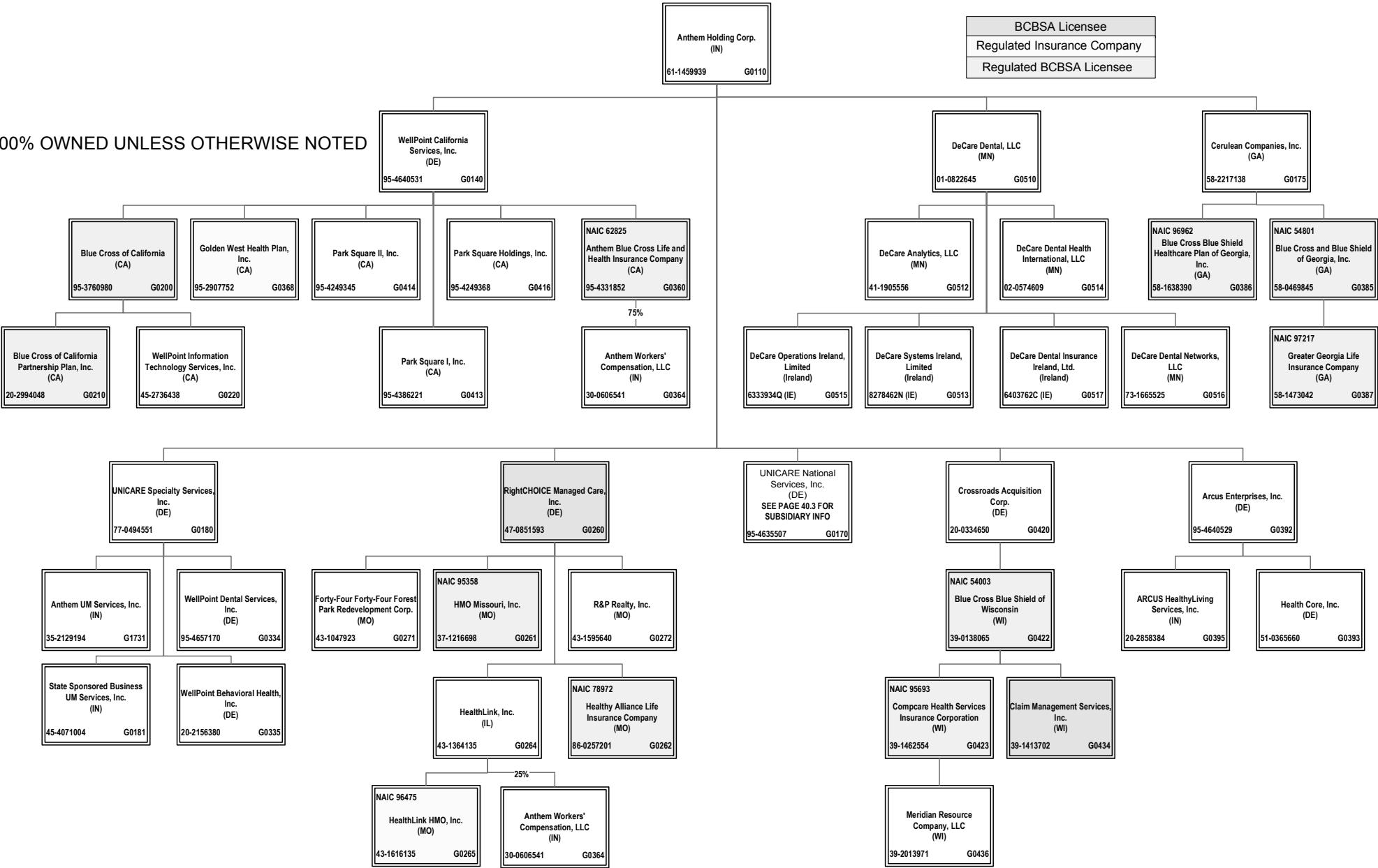
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PART 1 – ORGANIZATIONAL CHART

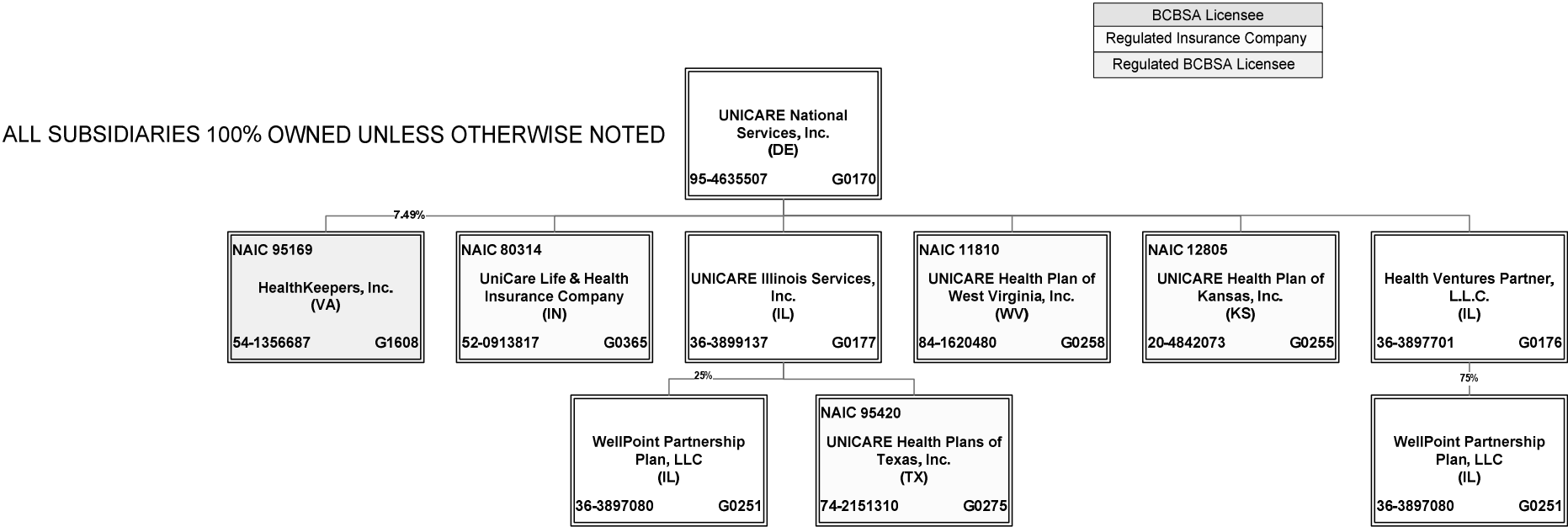


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

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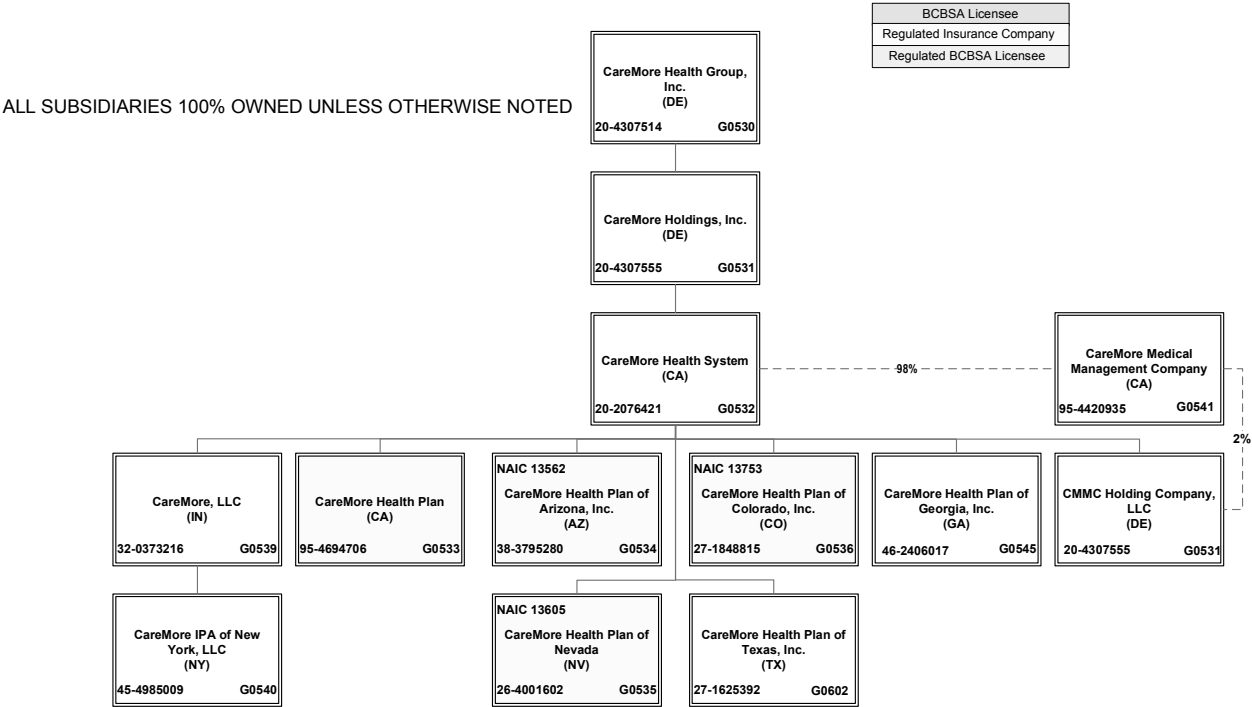
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PART 1 – ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Community Insurance Company

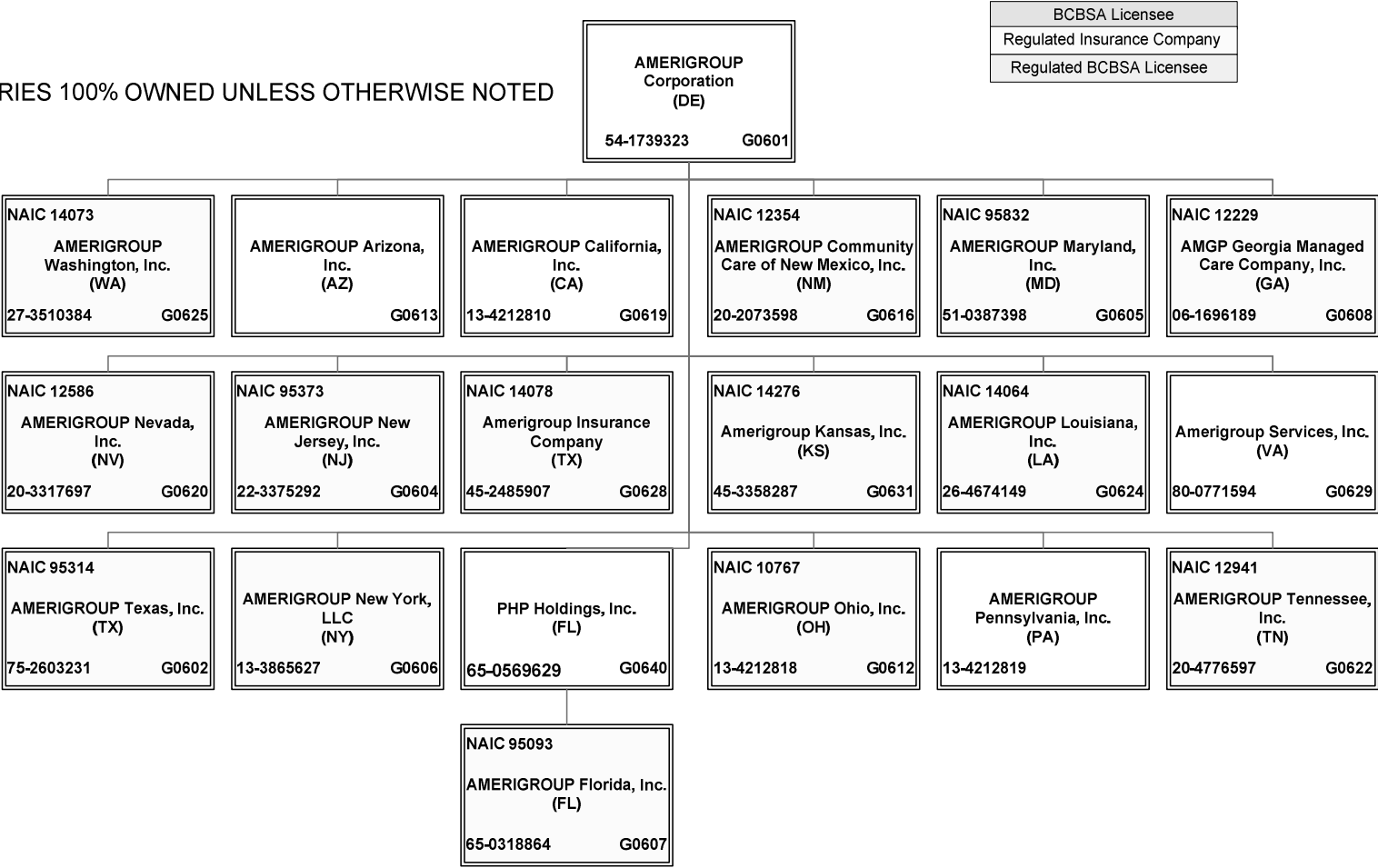
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PART 1 – ORGANIZATIONAL CHART



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

ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED



BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee

OVERFLOW PAGE FOR WRITE-INS

NONE

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