



HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2014  
OF THE CONDITION AND AFFAIRS OF THE  
UnitedHealthcare Community Plan of Ohio, Inc.

NAIC Group Code 0707 0707 NAIC Company Code 12323 Employer's ID Number 56-2451429  
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ☐ ] No [ ☒ ]

Incorporated/Organized 03/29/2004 Commenced Business 10/01/2005

Statutory Home Office 9200 Worthington Road OH020-1000, Westerville , OH, US 43082  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 9700 Health Care Lane MN017-E900  
(Street and Number)  
Minnetonka , MN, US 55343, 952-979-6171  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 9700 Health Care Lane MN017-E900, Minnetonka , MN, US 55343  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 9700 Health Care Lane MN017-E900  
(Street and Number)  
Minnetonka , MN, US 55343, 952-979-6171  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.uhccommunityplan.com

Statutory Statement Contact Rachel Ivelisse Ramos, 410-949-2244  
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(E-mail Address) (FAX Number)

OFFICERS

President Tracy Lynn Davidson Treasurer Robert Worth Oberrender  
Secretary Christina Regina Palme-Krizak Chief Financial Officer Dale Ray Moore

OTHER

Michelle Marie Huntley Assistant Secretary \_\_\_\_\_

DIRECTORS OR TRUSTEES

Richard Gordon Dunlop Joseph Gilbert Gaudio Bror Olof Hultgren

State of \_\_\_\_\_ State of \_\_\_\_\_ State of \_\_\_\_\_  
County of \_\_\_\_\_ County of \_\_\_\_\_ County of \_\_\_\_\_

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.

<u>Tracy Lynn Davidson</u> President	<u>Christina Regina Palme-Krizak</u> Secretary	<u>Dale Ray Moore</u> Chief Financial Officer
Subscribed and sworn to before me this _____ day of _____	Subscribed and sworn to before me this _____ day of _____	Subscribed and sworn to before me this _____ day of _____

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	176,122,585	0	176,122,585	115,299,543
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....783,517 , Schedule E - Part 1), cash equivalents (\$ .....0 , Schedule E - Part 2) and short-term investments (\$ .....186,129,443 , Schedule DA) .....	186,912,960	0	186,912,960	97,607,818
6. Contract loans, (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0	0
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	363,035,545	0	363,035,545	212,907,361
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	1,559,512	0	1,559,512	1,083,496
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	28,782,093	0	28,782,093	18,279,690
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums .....	883,232	0	883,232	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	0	0	0	588,044
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	2,220,710	0	2,220,710	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	583,863
18.2 Net deferred tax asset .....	3,223,021	0	3,223,021	2,933,645
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ .....9,293,571 ) and other amounts receivable .....	13,754,271	4,460,700	9,293,571	6,217,404
25. Aggregate write-ins for other than invested assets .....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	413,458,385	4,460,700	408,997,684	242,593,503
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27)	413,458,385	4,460,700	408,997,684	242,593,503
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. ....				
2502. ....				
2503. ....				
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)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ .....10,223,032 reinsurance ceded) .....	138,276,834	0	138,276,834	71,932,541
2. Accrued medical incentive pool and bonus amounts .....	887,250	0	887,250	1,007,825
3. Unpaid claims adjustment expenses .....	2,080,244	0	2,080,244	1,309,043
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	50,895,782	0	50,895,782	376,468
5. Aggregate life policy reserves .....	0	0	0	0
6. Property/casualty unearned premium reserves .....	0	0	0	0
7. Aggregate health claim reserves .....	3,735,080	0	3,735,080	1,729,547
8. Premiums received in advance .....	68,170	0	68,170	855,808
9. General expenses due or accrued .....	25,551,487	0	25,551,487	12,700,178
10.1 Current federal and foreign income tax payable and interest thereon (including \$ .....0 on realized capital gains (losses)) .....	6,974,088	0	6,974,088	0
10.2 Net deferred tax liability .....	0	0	0	0
11. Ceded reinsurance premiums payable .....	103,707	0	103,707	64,962
12. Amounts withheld or retained for the account of others .....	0	0	0	0
13. Remittances and items not allocated .....	0	0	0	0
14. Borrowed money (including \$ .....0 current) and interest thereon \$ .....0 (including \$ .....0 current) .....	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates .....	23,879,529	0	23,879,529	21,354,876
16. Derivatives .....	0	0	0	0
17. Payable for securities .....	0	0	0	0
18. Payable for securities lending .....	0	0	0	0
19. Funds held under reinsurance treaties (with \$ .....0 authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers) .....	0	0	0	0
20. Reinsurance in unauthorized and certified (\$ .....0 ) companies .....	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0	0	0
22. Liability for amounts held under uninsured plans .....	0	0	0	0
23. Aggregate write-ins for other liabilities (including \$ .....2,315,106 current) .....	2,353,271	0	2,353,271	373,642
24. Total liabilities (Lines 1 to 23) .....	254,805,442	0	254,805,442	111,704,891
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	25,925,437	0
26. Common capital stock .....	XXX	XXX	1,000	1,000
27. Preferred capital stock .....	XXX	XXX	0	0
28. Gross paid in and contributed surplus .....	XXX	XXX	21,227,057	21,227,057
29. Surplus notes .....	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	107,038,748	109,660,555
32. Less treasury stock, at cost: 32.1 .....0 shares common (value included in Line 26 \$ .....0 ) .....	XXX	XXX	0	0
32.2 .....0 shares preferred (value included in Line 27 \$ .....0 ) .....	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	154,192,242	130,888,612
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	408,997,684	242,593,503
DETAILS OF WRITE-INS				
2301. Unearned Pay for Performance (current) .....	27,082	0	27,082	26,943
2302. Unclaimed Property (non-current) .....	38,165	0	38,165	34,480
2303. Accrued Fines & Penalties .....	2,288,024	0	2,288,024	312,219
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) .....	2,353,271	0	2,353,271	373,642
2501. Section 9010 ACA Subsequent Fee Year Assessment .....	XXX	XXX	25,925,437	0
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	XXX	XXX	25,925,437	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	2,729,938	1,679,642
2. Net premium income ( including \$ .....0 non-health premium income).....	XXX	1,413,163,495	666,284,400
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	(49,636,082)	(376,468)
4. Fee-for-service (net of \$ .....0 medical expenses).....	XXX	0	0
5. Risk revenue .....	XXX	0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	417,263	1,451,406
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	1,363,944,676	667,359,338
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....	0	848,138,393	371,523,138
10. Other professional services .....	0	34,614,563	27,037,877
11. Outside referrals .....	0	0	0
12. Emergency room and out-of-area .....	0	0	10,147,478
13. Prescription drugs .....	0	183,019,748	104,310,626
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....	0	66,087	904,867
16. Subtotal (Lines 9 to 15) .....	0	1,065,838,790	513,923,986
<b>Less:</b>			
17. Net reinsurance recoveries .....	0	13,401,652	3,306,740
18. Total hospital and medical (Lines 16 minus 17) .....	0	1,052,437,138	510,617,246
19. Non-health claims (net) .....	0	0	0
20. Claims adjustment expenses, including \$ .....37,290,634 cost containment expenses .....	0	64,409,005	34,212,846
21. General administrative expenses .....	0	169,401,721	85,918,825
22. Increase in reserves for life and accident and health contracts (including \$ .....0 increase in reserves for life only) .....	0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	1,286,247,864	630,748,917
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	77,696,813	36,610,421
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	0	3,472,480	1,734,295
26. Net realized capital gains (losses) less capital gains tax of \$ .....49,086 .....	0	52,826	53,241
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	3,525,306	1,787,536
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....0 ) (amount charged off \$ .....0 )] .....	0	0	0
29. Aggregate write-ins for other income or expenses .....	0	(2,740,785)	(385,219)
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	78,481,333	38,012,738
31. Federal and foreign income taxes incurred .....	XXX	30,649,001	13,744,639
32. Net income (loss) (Lines 30 minus 31) .....	XXX	47,832,332	24,268,099
<b>DETAILS OF WRITE-INS</b>			
0601. Performance Based Revenue .....	XXX	417,263	1,451,406
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	417,263	1,451,406
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. Fines & Penalties .....	0	(2,740,785)	(385,219)
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	(2,740,785)	(385,219)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	130,888,612	107,099,473
34. Net income or (loss) from Line 32 .....	47,832,332	24,268,099
35. Change in valuation basis of aggregate policy and claim reserves .....	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... 0 .....	0	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....	0	0
38. Change in net deferred income tax .....	289,376	1,349,543
39. Change in nonadmitted assets .....	(818,078)	(1,828,503)
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.....	0	0
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0
45.3 Transferred from capital .....	0	0
46. Dividends to stockholders .....	(24,000,000)	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	23,303,631	23,789,139
49. Capital and surplus end of reporting period (Line 33 plus 48)	154,192,242	130,888,612
DETAILS OF WRITE-INS		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	1,401,912,199	655,656,430
2. Net investment income .....	5,225,039	2,591,411
3. Miscellaneous income .....	417,401	(155,252)
4. Total (Lines 1 through 3) .....	1,407,554,639	658,092,589
5. Benefit and loss related payments .....	987,526,168	481,507,765
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	223,192,517	115,825,560
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....	23,140,135	15,623,957
10. Total (Lines 5 through 9) .....	1,233,858,819	612,957,282
11. Net cash from operations (Line 4 minus Line 10) .....	173,695,820	45,135,308
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	34,002,194	13,804,119
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	34,002,194	13,804,119
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	96,921,206	68,283,551
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	96,921,206	68,283,551
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) .....	(62,919,012)	(54,479,432)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	24,000,000	0
16.6 Other cash provided (applied) .....	2,528,335	19,307,694
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(21,471,665)	19,307,694
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) .....	89,305,143	9,963,570
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	97,607,818	87,644,248
19.2 End of year (Line 18 plus Line 19.1) .....	186,912,960	97,607,818

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

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ANNUAL STATEMENT FOR THE YEAR 2014 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

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 .....	1,413,163,495	0	0	0	0	0	0	1,413,163,495	0	0
2. Change in unearned premium reserves and reserve for rate credit .....	(49,636,082)	0	0	0	0	0	0	(49,636,082)	0	0
3. Fee-for-service (net of \$ .....0 medical expenses) .....	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue .....	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues .....	417,263	0	0	0	0	0	0	417,263	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) .....	1,363,944,676	0	0	0	0	0	0	1,363,944,676	0	0
8. Hospital/medical benefits .....	848,138,393	0	0	0	0	0	0	848,138,393	0	XXX
9. Other professional services .....	34,614,563	0	0	0	0	0	0	34,614,563	0	XXX
10. Outside referrals .....	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area .....	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs .....	183,019,748	0	0	0	0	0	0	183,019,748	0	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 .....	66,087	0	0	0	0	0	0	66,087	0	XXX
15. Subtotal (Lines 8 to 14) .....	1,065,838,791	0	0	0	0	0	0	1,065,838,791	0	XXX
16. Net reinsurance recoveries .....	13,401,652	0	0	0	0	0	0	13,401,652	0	XXX
17. Total medical and hospital (Lines 15 minus 16) .....	1,052,437,139	0	0	0	0	0	0	1,052,437,139	0	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ .....37,290,634 cost containment expenses .....	64,409,005	0	0	0	0	0	0	64,409,005	0	0
20. General administrative expenses .....	169,401,721	0	0	0	0	0	0	169,401,721	0	0
21. Increase in reserves for accident and health contracts .....	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22) .....	1,286,247,865	0	0	0	0	0	0	1,286,247,865	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....	77,696,811	0	0	0	0	0	0	77,696,811	0	0
DETAILS OF WRITE-INS										
0501. Performance Based Revenue .....	417,263	0	0	0	0	0	0	417,263	0	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) .....	417,263	0	0	0	0	0	0	417,263	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

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) .....	0	0	0	0
2.	Medicare Supplement .....	0	0	0	0
3.	Dental only .....	0	0	0	0
4.	Vision only .....	0	0	0	0
5.	Federal Employees Health Benefits Plan .....	0	0	0	0
6.	Title XVIII - Medicare .....	25,672,970	0	0	25,672,970
7.	Title XIX - Medicaid .....	1,395,920,851	0	8,430,326	1,387,490,525
8.	Other health .....	0	0	0	0
9.	Health subtotal (Lines 1 through 8) .....	1,421,593,821	0	8,430,326	1,413,163,495
10.	Life .....	0	0	0	0
11.	Property/casualty .....	0	0	0	0
12.	Totals (Lines 9 to 11)	1,421,593,821	0	8,430,326	1,413,163,495



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	992,909,897	.0	.0	.0	.0	.0	.0	992,909,897	.0	.0
1.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded	5,570,391	.0	.0	.0	.0	.0	.0	5,570,391	.0	.0
1.4 Net	987,339,506	.0	.0	.0	.0	.0	.0	987,339,506	.0	.0
2. Paid medical incentive pools and bonuses	186,662	.0	.0	.0	.0	.0	.0	186,662	.0	.0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	148,499,867	.0	.0	.0	.0	.0	.0	148,499,867	.0	.0
3.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded	10,223,032	.0	.0	.0	.0	.0	.0	10,223,032	.0	.0
3.4 Net	138,276,835	.0	.0	.0	.0	.0	.0	138,276,835	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	3,735,081	.0	.0	.0	.0	.0	.0	3,735,081	.0	.0
4.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	3,735,081	.0	.0	.0	.0	.0	.0	3,735,081	.0	.0
5. Accrued medical incentive pools and bonuses, current year	887,250	.0	.0	.0	.0	.0	.0	887,250	.0	.0
6. Net healthcare receivables (a)	3,906,325	.0	.0	.0	.0	.0	.0	3,906,325	.0	.0
7. Amounts recoverable from reinsurers December 31, current year	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	73,736,268	.0	.0	.0	.0	.0	.0	73,736,268	.0	.0
8.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	1,803,727	.0	.0	.0	.0	.0	.0	1,803,727	.0	.0
8.4 Net	71,932,541	.0	.0	.0	.0	.0	.0	71,932,541	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	1,729,547	.0	.0	.0	.0	.0	.0	1,729,547	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net	1,729,547	.0	.0	.0	.0	.0	.0	1,729,547	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	1,007,825	.0	.0	.0	.0	.0	.0	1,007,825	.0	.0
11. Amounts recoverable from reinsurers December 31, prior year	588,044	.0	.0	.0	.0	.0	.0	588,044	.0	.0
12. Incurred Benefits:										
12.1 Direct	1,065,772,705	.0	.0	.0	.0	.0	.0	1,065,772,705	.0	.0
12.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	13,401,652	.0	.0	.0	.0	.0	.0	13,401,652	.0	.0
12.4 Net	1,052,371,053	.0	.0	.0	.0	.0	.0	1,052,371,053	.0	.0
13. Incurred medical incentive pools and bonuses	66,087	.0	.0	.0	.0	.0	.0	66,087	.0	.0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & 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 .....	30,205,122	.0	.0	.0	.0	.0	.0	30,205,122	.0	.0
1.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded .....	2,168,079	.0	.0	.0	.0	.0	.0	2,168,079	.0	.0
1.4 Net .....	28,037,043	.0	.0	.0	.0	.0	.0	28,037,043	.0	.0
2. Incurred but Unreported:										
2.1 Direct .....	118,294,745	.0	.0	.0	.0	.0	.0	118,294,745	.0	.0
2.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded .....	8,054,953	.0	.0	.0	.0	.0	.0	8,054,953	.0	.0
2.4 Net .....	110,239,792	.0	.0	.0	.0	.0	.0	110,239,792	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:										
4.1 Direct .....	148,499,867	.0	.0	.0	.0	.0	.0	148,499,867	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	10,223,032	.0	.0	.0	.0	.0	.0	10,223,032	.0	.0
4.4 Net .....	138,276,835	0	0	0	0	0	0	138,276,835	0	0

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) .....	0	0	0	0	0	0
2. Medicare Supplement .....	0	0	0	0	0	0
3. Dental Only .....	0	0	0	0	0	0
4. Vision Only .....	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan .....	0	0	0	0	0	0
6. Title XVIII - Medicare .....	0	0	0	0	0	0
7. Title XIX - Medicaid .....	47,780,490	940,147,060	2,651,751	139,360,164	50,432,241	73,662,089
8. Other health .....	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8) .....	47,780,490	940,147,060	2,651,751	139,360,164	50,432,241	73,662,089
10. Healthcare receivables (a) .....	1,888,548	11,033,885	0	831,837	1,888,548	9,847,946
11. Other non-health .....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts .....	176,812	9,850	503,188	384,062	680,000	1,007,825
13. Totals (Lines 9 - 10 + 11 + 12)	46,068,754	929,123,025	3,154,939	138,912,389	49,223,693	64,821,968

(a) Excludes \$ 0 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 - Title XVIII

Year in Which Losses Were Incurred						Cumulative Net Amounts Paid				
						1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior .....					176	176	176	176	176
2.	2010 .....					127	126	126	126	126
3.	2011 .....					XXX	0	2	2	2
4.	2012 .....					XXX	XXX	3	3	3
5.	2013 .....					XXX	XXX	XXX	0	0
6.	2014 .....					XXX	XXX	XXX	XXX	0

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 .....					180	176	176	176	176
2.	2010 .....					179	126	126	126	126
3.	2011 .....					XXX	0	2	2	2
4.	2012 .....					XXX	XXX	3	3	3
5.	2013 .....					XXX	XXX	XXX	0	0
6.	2014 .....					XXX	XXX	XXX	XXX	0

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

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2010 .....	195	126	(3)	(2.4)	123	63.1	0	0	123	63.1
2.	2011 .....	9	2	6	300.0	8	88.9	0	0	8	88.9
3.	2012 .....	(24)	3	0	0.0	3	(12.5)	0	0	3	(12.5)
4.	2013 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
5.	2014 .....	0	0	0	0.0	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 - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior .....	35,243	35,901	35,502	35,244	35,233
2.	2010 .....	274,413	313,847	313,371	313,273	313,209
3.	2011 .....	XXX	290,498	321,098	321,426	321,413
4.	2012 .....	XXX	XXX	375,030	401,611	401,769
5.	2013 .....	XXX	XXX	XXX	454,954	502,252
6.	2014 .....	XXX	XXX	XXX	XXX	940,157

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 .....	35,406	35,901	35,502	35,244	35,233
2.	2010 .....	315,186	314,145	313,371	313,273	313,209
3.	2011 .....	XXX	339,500	322,378	321,426	321,413
4.	2012 .....	XXX	XXX	415,423	404,109	401,769
5.	2013 .....	XXX	XXX	XXX	527,126	505,407
6.	2014 .....	XXX	XXX	XXX	XXX	1,079,901

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 .....	410,981	313,209	6,375	2.0	319,584	77.8	0	0	319,584	77.8
2. 2011 .....	450,325	321,413	15,804	4.9	337,217	74.9	0	0	337,217	74.9
3. 2012 .....	535,629	401,769	20,391	5.1	422,160	78.8	0	0	422,160	78.8
4. 2013 .....	671,403	502,252	41,589	8.3	543,841	81.0	3,155	50	547,046	81.5
5. 2014 .....	1,371,958	940,157	57,409	6.1	997,566	72.7	139,744	2,030	1,139,340	83.0

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 .....	35,419	36,077	35,678	35,420	35,409
2.	2010 .....	274,540	313,973	313,497	313,399	313,335
3.	2011 .....	XXX	290,498	321,100	321,428	321,415
4.	2012 .....	XXX	XXX	375,033	401,614	401,772
5.	2013 .....	XXX	XXX	XXX	454,954	502,252
6.	2014 .....	XXX	XXX	XXX	XXX	940,157

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 .....	35,586	36,077	35,678	35,420	35,409
2.	2010 .....	315,365	314,271	313,497	313,399	313,335
3.	2011 .....	XXX	339,500	322,380	321,428	321,415
4.	2012 .....	XXX	XXX	415,426	404,112	401,772
5.	2013 .....	XXX	XXX	XXX	527,126	505,407
6.	2014 .....	XXX	XXX	XXX	XXX	1,079,901

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 .....	411,176	313,335	6,372	2.0	319,707	77.8	0	0	319,707	77.8
2. 2011 .....	450,334	321,415	15,810	4.9	337,225	74.9	0	0	337,225	74.9
3. 2012 .....	535,605	401,772	20,391	5.1	422,163	78.8	0	0	422,163	78.8
4. 2013 .....	671,403	502,252	41,589	8.3	543,841	81.0	3,155	50	547,046	81.5
5. 2014 .....	1,371,958	940,157	57,409	6.1	997,566	72.7	139,744	2,030	1,139,340	83.0

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 .....	0	0	0	0	0	0	0	0	0
2. Additional policy reserves (a) .....	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits .....	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including \$ .....0 ) for investment income .....	50,895,782	0	0	0	0	0	0	50,895,782	0
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	50,895,782	0	0	0	0	0	0	50,895,782	0
7. Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
8. Totals (Net)(Page 3, Line 4) .....	50,895,782	0	0	0	0	0	0	50,895,782	0
9. Present value of amounts not yet due on claims .....	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits .....	3,735,081	0	0	0	0	0	0	3,735,081	0
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	3,735,081	0	0	0	0	0	0	3,735,081	0
13. Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
14. Totals (Net)(Page 3, Line 7) .....	3,735,081	0	0	0	0	0	0	3,735,081	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 \$ .....0 premium deficiency reserve.

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 (\$ .....0 for occupancy of own building) .....	1,076,896	813,112	1,468,690	0	3,358,698
2. Salary, wages and other benefits .....	19,409,066	14,654,849	26,470,425	0	60,534,340
3. Commissions (less \$ .....0 ceded plus \$ .....0 assumed) .....	0	0	0	0	0
4. Legal fees and expenses .....	289,266	218,411	394,506	0	902,183
5. Certifications and accreditation fees .....	0	0	0	0	0
6. Auditing, actuarial and other consulting services .....	2,023,911	1,528,158	2,770,382	0	6,322,451
7. Traveling expenses .....	660,415	498,647	900,685	0	2,059,747
8. Marketing and advertising .....	1,498,338	1,131,323	2,043,460	0	4,673,121
9. Postage, express and telephone .....	1,233,609	931,438	1,682,417	0	3,847,464
10. Printing and office supplies .....	360,512	272,205	491,673	0	1,124,390
11. Occupancy, depreciation and amortization .....	481,515	363,568	656,698	0	1,501,781
12. Equipment .....	88,880	67,109	121,216	0	277,205
13. Cost or depreciation of EDP equipment and software .....	2,257,661	1,704,651	3,079,038	0	7,041,350
14. Outsourced services including EDP, claims, and other services .....	4,405,862	2,387,585	3,789,882	0	10,583,329
15. Boards, bureaus and association fees .....	36,964	27,910	50,412	0	115,286
16. Insurance, except on real estate .....	338,419	255,524	461,542	0	1,055,485
17. Collection and bank service charges .....	144,343	108,986	196,857	0	450,186
18. Group service and administration fees .....	46,830	35,359	47,987	0	130,176
19. Reimbursements by uninsured plans .....	0	0	0	0	0
20. Reimbursements from fiscal intermediaries .....	0	0	0	0	0
21. Real estate expenses .....	0	0	0	0	0
22. Real estate taxes .....	62,231	41,126	157,456	0	260,813
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....	0	0	0	0	0
23.2 State premium taxes .....	0	0	0	0	0
23.3 Regulatory authority licenses and fees .....	0	0	119,544,301	0	119,544,301
23.4 Payroll taxes .....	987,911	652,869	2,499,620	0	4,140,400
23.5 Other (excluding federal income and real estate taxes) .....	0	0	0	0	0
24. Investment expenses not included elsewhere .....	0	0	0	104,528	104,528
25. Aggregate write-ins for expenses .....	1,888,005	1,425,541	2,574,473	0	5,888,019
26. Total expenses incurred (Lines 1 to 25) .....	37,290,634	27,118,371	169,401,720	104,528	(a) .....233,915,253
27. Less expenses unpaid December 31, current year .....	1,204,391	875,853	25,499,595	51,891	27,631,730
28. Add expenses unpaid December 31, prior year .....	655,470	653,573	12,678,979	21,199	14,009,221
29. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year .....	0	0	2,220,710	0	2,220,710
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	36,741,713	26,896,091	158,801,814	73,836	222,513,454
DETAILS OF WRITE-INS					
2501. Information Technology .....	289,191	218,354	394,404	0	901,949
2502. Interest .....	11,637	8,787	10,450	0	30,874
2503. Managed Care & Network Access .....	13,215	9,978	18,023	0	41,216
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,573,962	1,188,422	2,151,596	0	4,913,980
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	1,888,005	1,425,541	2,574,473	0	5,888,019

(a) Includes management fees of \$ .....94,128,377 to affiliates and \$ .....0 to non-affiliates.



EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds .....	(a) .....154,632	.....158,698
1.1	Bonds exempt from U.S. tax .....	(a) .....0	.....0
1.2	Other bonds (unaffiliated) .....	(a) .....2,888,330	.....3,355,067
1.3	Bonds of affiliates .....	(a) .....0	.....0
2.1	Preferred stocks (unaffiliated) .....	(b) .....0	.....0
2.11	Preferred stocks of affiliates .....	(b) .....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0
3.	Mortgage loans .....	(c) .....0	.....0
4.	Real estate .....	(d) .....0	.....0
5	Contract Loans .....	.....0	.....0
6	Cash, cash equivalents and short-term investments .....	(e) .....63,978	.....63,249
7	Derivative instruments .....	(f) .....0	.....0
8.	Other invested assets .....	.....0	.....0
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	3,106,940	3,577,014
11.	Investment expenses .....		(g) .....104,528
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....0
13.	Interest expense .....		(h) .....0
14.	Depreciation on real estate and other invested assets .....		(i) .....0
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....104,528
17.	Net investment income (Line 10 minus Line 16)		3,472,486
DETAILS OF WRITE-INS			
0901.	.....		
0902.	.....		
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)	0	0
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 \$ .....39,085 accrual of discount less \$ .....2,236,968 amortization of premium and less \$ .....219,387 paid for accrued interest on purchases.
- (b) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued dividends on purchases.
- (c) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued interest on purchases.
- (d) Includes \$ .....0 for company's occupancy of its own buildings; and excludes \$ .....0 interest on encumbrances.
- (e) Includes \$ .....177 accrual of discount less \$ .....762 amortization of premium and less \$ .....0 paid for accrued interest on purchases.
- (f) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium.
- (g) Includes \$. .....104,528 investment expenses and \$ .....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ .....0 interest on surplus notes and \$ .....0 interest on capital notes.
- (i) Includes \$ .....0 depreciation on real estate and \$ .....0 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 .....	.....0	.....0	.....0	.....0	.....0
1.1	Bonds exempt from U.S. tax .....	.....0	.....0	.....0	.....0	.....0
1.2	Other bonds (unaffiliated) .....	.....133,219	.....(31,306)	.....101,913	.....0	.....0
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....0	.....0
5.	Contract loans .....	.....0	.....0	.....0	.....0	.....0
6.	Cash, cash equivalents and short-term investments .....	.....0	.....0	.....0	.....0	.....0
7.	Derivative instruments .....	.....0	.....0	.....0	.....0	.....0
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	133,219	(31,306)	101,913	0	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

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	0	0	0
15.3 Accrued retrospective premiums .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset .....	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software .....	0	0	0
21. Furniture and equipment, including health care delivery assets .....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivable from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable .....	4,460,700	3,630,542	(830,158)
25. Aggregate write-ins for other than invested assets .....	0	12,082	12,082
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	4,460,700	3,642,624	(818,076)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
28. Total (Lines 26 and 27) .....	4,460,700	3,642,624	(818,076)
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Prepaid Expense .....	0	12,082	12,082
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) .....	0	12,082	12,082

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 .....	167,699	176,887	230,847	267,385	283,148	2,729,938
2. Provider Service Organizations .....	0	0	0	0	0	0
3. Preferred Provider Organizations .....	0	0	0	0	0	0
4. Point of Service .....	0	0	0	0	0	0
5. Indemnity Only .....	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	167,699	176,887	230,847	267,385	283,148	2,729,938
DETAILS OF WRITE-INS						
0601. ....						
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)	0	0	0	0	0	0

UNITEDHEALTHCARE COMMUNITY PLAN OF OHIO, INC.

NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation

UnitedHealthcare Community Plan of Ohio, Inc. (the “Company”), licensed as a health insuring organization (“HIC”), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned by Three Rivers Holding, Inc. (“TRH”). TRH is a wholly owned subsidiary of AmeriChoice Corporation. AmeriChoice Corporation is a wholly owned subsidiary of UnitedHealth Group Incorporated (“UnitedHealth Group”). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on March 29, 2004, as a HIC and operations commenced in October 2005. The Company is certified as a HIC by the Ohio Department of Insurance (“ODI”). The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company has a contract with the State of Ohio Department of Medicaid (“ODM”) to provide health care services to Medicaid and Partners for Kids (“PFK”) eligible beneficiaries in Ohio. Effective January 1, 2014, this contract has been expanded to include adult beneficiaries whose income does not exceed 138% of the federal poverty level as defined by the Patient Protection and Affordable Care Act (“ACA”) expansion (“Expansion”). The current contract is effective through June 30, 2015, and is subject to annual renewal provisions thereafter.

Effective May 1, 2014, the Company began servicing Medicare-Medicaid beneficiaries under an Integrated Care Delivery System Plan, “MyCare Ohio”. The Company is a plan sponsor under contract with the Centers for Medicare and Medicaid Services (“CMS”) and ODM. MyCare Ohio delivers and coordinates all components of Medicare (Medicare Advantage and Medicare Part D prescription drug), and Medicaid covered services for eligible beneficiaries, including long term services and supports. The contract is effective through December 31, 2015 with one-year renewal options through the December 31, 2017 demonstration period. Each component of the Medicare Part D program is further defined throughout Note 1.

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the ODI.

The ODI recognizes only statutory accounting practices, prescribed or permitted by the State of Ohio, for determining and reporting the financial condition and results of operations of a HIC, for determining its solvency under Ohio Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”) in effect for the accounting periods covered in the statutory basis financial statements.

No significant differences exist between the practices prescribed or permitted by the State of Ohio and those prescribed or permitted by the NAIC SAP that materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	State of Domicile	2014	2013
<b>Net Income</b>			
(1) Company state basis	Ohio	\$ 47,832,332	\$ 24,268,099
(2) State prescribed practices that increase/(decrease) NAIC SAP: Not applicable	Ohio	-	-
(3) State permitted practices that increase/(decrease) NAIC SAP: Not applicable	Ohio	-	-
(4) NAIC SAP (1-2-3=4)	Ohio	\$ 47,832,332	\$ 24,268,099
<b>Surplus</b>			
(5) Company state basis	Ohio	\$ 154,192,242	\$ 130,888,612
(6) State prescribed practices that increase/(decrease) NAIC SAP: Not applicable	Ohio	-	-
(7) State permitted practices that increase/(decrease) NAIC SAP: Not applicable	Ohio	-	-
(8) NAIC SAP (5-6-7=8)	Ohio	\$ 154,192,242	\$ 130,888,612

**B. Use of Estimates in the Preparation of the Statutory Basis Financial Statements**

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, aggregate health policy reserves and aggregate health claim reserves (collectively known as "aggregate health reserves"). The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

**C. Accounting Policy**

**Basis of Presentation** — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed or permitted by the ODI. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

- (1–2) Bonds and short-term investments are stated at amortized cost if they meet NAIC designation of one or two and stated at the lower of amortized cost or fair value if they meet an NAIC designation of three or higher. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the Securities Valuation Office of the NAIC ("SVO") in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service;
- (3–4) The Company holds no common or preferred stock;
- (5) The Company holds no mortgage loans on real estate;
- (6) U.S. government and agency securities and corporate debt securities include loan-backed and mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of loan-backed and mortgage-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets and total investments loan and mortgage-backed securities to 30% of total cash and invested assets;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;
- (8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9) The Company holds no derivatives;
- (10) Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care expenses, claim adjustment expenses ("CAE"), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected as an increase in reserves for accident and health contracts in the accompanying statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30);
- (11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to United HealthCare Services, Inc. ("UHS") in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation

between CAE and general administrative expenses to be reported in the statutory basis statement of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid claims adjustment expenses associated with incurred but unpaid claims, which is included in unpaid claims adjustment expenses in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid claims adjustment expenses as of December 31, 2014 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid claims adjustment expenses are reflected in operating results in the period in which the change in estimate is identified;

- (12) The Company does not carry any fixed assets on the statutory basis financial statements;
- (13) Health care and other amounts receivable consist of pharmacy rebates receivable estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care and other amounts receivable also include receivables for amounts due to the Company for claim overpayments to providers, hospitals and other health care organizations, as well as amounts due from ODM for reimbursable claims and performance based payments. Health care and other amounts receivable are considered nonadmitted assets for statutory purposes if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and differences between statutory practices and GAAP:

## **ASSETS**

### ***Cash and Invested Assets***

- Bonds include U.S. government and agency securities, state and agency municipalities, city and county municipalities, and corporate debt securities with a maturity of greater than one year at the time of purchase;
- Certain debt investments categorized as available for sale or held to maturity are presented at the lower of amortized cost or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or amortized cost, respectively;
- Cash, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;
- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;
- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;
- Cash equivalents represent U.S. treasury bills. Cash equivalents have original maturity dates of three months or less from the date of acquisition and are reported at cost or amortized cost depending on the nature of the underlying security, which approximates fair value;
- Short-term investments represent money market-funds and municipal securities with a maturity of greater than three months but less than one year at the time of purchase;
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital gains less capital gains tax in the statutory basis statements of operations;
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains less capital gains tax in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized



for mortgage-backed securities for periods subsequent to the loss recognition. The Company recognized other-than-temporary impairments of \$31,306 and \$0 the years ended December 31, 2014 and 2013, respectively;

- The statutory basis statements of cash flows reconciles cash, cash equivalents, and short-term investments with original maturities of one year or less from the time of acquisition; whereas under GAAP, cash flows reconcile the corresponding captions of cash and cash equivalents with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

#### **Other Assets**

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and amounts determined to be uncollectible are written off in the period in which the determination is made.
- **Premiums and Considerations** — The Company reports uncollected premium balances from the ODM as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential.
- **Medical Risk Share — Medicare Part D** — The Company has settlements with CMS under MyCare Ohio based on whether the ultimate per member per month (“PMPM”) benefit costs of any Medicare Part D program regional plan varies more than 5% above or below the level estimated in the original bid submitted by the Company and approved by CMS in 2014. The estimated risk share adjustment of \$883,232 in 2014 is recorded as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus with the corresponding change in the balance reflected as an increase to change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.
- **Amounts Receivable Relating to Uninsured Plans** — Receivables for amounts held under uninsured plans represent the cost reimbursement under the Medicare Part D program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Amounts received for these subsidies are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. The Patient Protection and Affordable Care Act and its related reconciliation act (“Health Reform Legislation”) mandate consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap (“Coverage Gap Discount Program” or “CGDP”). These discounts are pre-funded by CMS, and ultimately reimbursed by pharmaceutical manufacturers. The Company solely administers the application of these funds and has no insurance risk. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within cash provided by operations in the statutory basis statements of cash flows.
- **Net Deferred Tax Asset** — Statutory accounting provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets and liabilities, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under statutory accounting, the change in deferred tax assets and liabilities is recorded directly to unassigned surplus and deferred tax assets are subject to a valuation allowance and admissibility limitations of the assets in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets and liabilities is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under statutory accounting, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheets.

#### **LIABILITIES**

- **Claims Unpaid and Aggregate Health Reserves** — Claims unpaid and aggregate health reserves include claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2014 and 2013. Management believes the amount of claims unpaid and aggregate health reserves is a best estimate for the Company's liability for unpaid claims and aggregate health reserves as of December 31, 2014; however, actual payments may differ from those established estimates. Adjustments to claims unpaid estimates and aggregate health reserves are reflected in the statutory basis statement of operations in the period in which the change in estimate is identified.

The reserves ceded to reinsurers for claims unpaid have been reported as reductions of the related reserves rather than as assets, which would be required under GAAP.

The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

- **Reserve for Experience Rated Refunds** — A liability is established for estimated premium refunds on experience rated contracts based on actuarial methods and assumptions and minimum loss ratio requirements. The Company has settlements with ODM under the ACA primary care physicians ("PCPs") enhanced rate payment program (see Note 21) based upon actual utilization reconciliations associated with 2013 and 2014. The estimated accrued retrospective premiums due from the Company of \$50,895,782 and \$376,468 as of December 31, 2014 and December 31, 2013, respectively, are recorded in aggregate health policy reserves on the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an increase to change reserve for rate credits in the statutory basis statements of operations. Included within the 2014 estimated accrued retrospective premiums is \$22,352,573 associated with the 2013 enhanced rate payment reconciliation.
- **Premiums Received in Advance** — Premiums received in full during the current period that are not due until future periods are recorded as premiums received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **General Expenses Due or Accrued** — General expenses, including state taxes and assessments, that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due in accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Amounts Due to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts due to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

#### **CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS**

- **Nonadmitted Assets** — Certain assets, including certain health care and other amounts receivables and prepaid assets are considered nonadmitted assets for statutory purposes and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheets.
- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of \$433,150 and \$448,606 as of December 31, 2014 and 2013, respectively, in compliance with the state requirements for qualification purposes as a domestic insurer. These restricted cash reserves consist principally of government obligations and are stated at amortized cost, which approximates fair value. These reserves are included in bonds in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.
- **Minimum Capital and Surplus** — Under the laws of the State of Ohio, the ODI requires the Company to maintain a minimum capital and surplus equal to the greater of \$1,700,000, and shall maintain total admitted assets equal to at least 110% of the liabilities of the corporation. The minimum capital and surplus requirement is \$1,700,000, for December 31, 2014 and 2013. The Company is in compliance with the requirements.

Risk based capital ("RBC") is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in



consideration of its size and risk profile. The ODI requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above or the company action level as calculated by the RBC formula or the level needed to avoid action pursuant to the trend test in the RBC formula. The Company is in compliance with the required amount.

- **Aggregate Write-ins for Special Surplus Funds** — The Company is subject to an annual fee under Section 9010 of the ACA. Under statutory accounting, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as aggregate write-ins for special surplus funds, whereas under GAAP, no such special surplus designation is required.

## **STATEMENTS OF OPERATIONS**

- **Net Premium Income and Change in Unearned Premium Reserves and Reserve for Rate Credits** — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums paid and incurred.

Net premium income includes amounts paid by the ODM on a per member basis in exchange for the provision and administration of medical benefits under the Medicaid program. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity payments. Maternity income is billed on contractual rates and recognized as income as each birth case is identified by the Company. Included in net premium income are capitated payments, maternity payments, and PFK payments. The PFK program is for uninsured children and pay providers for on-OB/GYN covered services for members in the Southeast Region, age 18 and under. The majority of net premium income recorded is based on capitated rates, which are monthly premiums paid for each member enrolled.

Net premium income also includes amounts paid by the ODM and CMS for the MyCare Ohio program. CMS payments include the Medicare Advantage CMS premium, and the premium under the Medicare Part D program, which includes, CMS premium, and low-income premium subsidy for the Company's insurance risk coverage. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive health care services and prescription drug benefits. The Company estimates retrospective premium adjustments based on guidelines determined by CMS (see Note 24).

CMS deploys a risk adjustment model that apportions premiums paid to all health plans according to health severity and certain demographic factors. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured. The estimated risk-adjusted payments due to the Company at December 31, 2014 were \$190,115 and are recorded as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

MyCare Ohio and Expansion plans are subject to MLR requirements similar to those of the Health Reform Legislation under the terms of the contracts. The Company obtained a waiver for the Medicare Advantage plans and Part D prescription drug plans MLR requirements under Health Reform Legislation based upon the contractual requirements. Plans with medical loss ratios that fall below certain targets are required to rebate ratable portions of premiums annually.

Revenues also include performance based revenue that is recognized based upon the Company's performance measured against targets established in its contracts with ODM. The Company receives a fixed amount per member in the period the member is entitled to receive healthcare services which is recorded as other liabilities and health care and other amounts receivable in the accompanying statutory basis statements of admitted assets, liabilities and capital and surplus. Revenue related to the program is recognized as other health care related revenues on the statutory basis statement of revenues and expenses when ODM provides the Company with a final report, annually.

- **Total Hospital and Medical Expenses** — Total hospital and medical expenses include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.
- **General Administrative Expenses** — Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the management agreement are directly expensed as incurred. A detailed review of the administrative expenses of the Company

and UHS is performed to determine the allocation between claims adjustment expenses and general administrative expenses to be reported in the statutory basis statements of operations.

The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity's 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, 2014. Under statutory accounting, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in general administrative expenses in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis.

- **Net Investment Income Earned** — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).

Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

## **REINSURANCE**

**Reinsurance Ceded** — In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred, but not paid are deducted from net premium income in the accompanying statutory basis statements of operations. Any amounts due to the Company pursuant to this agreement are recorded as amounts recoverable from reinsurers in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has excess loss and insolvency-only reinsurance agreements with UnitedHealthcare Insurance Company ("UHIC") (see Note 10 and Note 23).

- **Amounts Recoverable from Reinsurers** — The Company records amounts recoverable from reinsurers for stop-loss as reinsurance in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net reinsurance recoveries in the statutory basis statements of operations.
- **Ceded Reinsurance Premiums Payable** — The ceded reinsurance premiums payable balance represents amounts due to the reinsurer for coverage which will be paid based on the contract terms.

## **OTHER**

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

Direct written premiums and uncollected premiums from ODM under the Medicaid contract and ODM and CMS under the MyCare contract as a percentage of total direct premiums written and total uncollected premiums are 100% and 100% as of December 31, 2014 and 100% and 100% as of December 31, 2013, respectively.

- **Recently Issued Accounting Standards** — In June 2014, the NAIC adopted Statement of Statutory Accounting Principles ("SSAP") No. 106, *Affordable Care Acts Assessments*, effective January 1, 2014. The new standard incorporates guidance previously included in SSAP No. 35R, *Guaranty Fund and Other Assessments* for the accounting and disclosure requirements of the ACA Section 9010 assessment. The Company adopted SSAP No. 106 in 2014 and the impact is disclosed in Note 22.

## **2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS**

No changes in accounting principles have been recorded during the years ended December 31, 2014 and 2013.

## **3. BUSINESS COMBINATIONS AND GOODWILL**

**A–D.** The Company was not party to a business combination during the years ended December 31, 2014 and 2013, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

(1–5) The Company did not discontinue any operations during 2014 and 2013.

5. INVESTMENTS AND OTHER INVESTED ASSETS

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were \$314,156 and \$180,938, respectively, for 2014 and \$108,116 and \$15,376, respectively, for 2013. There were no gross realized gains or losses on sales of short-term investments in 2014 or 2013. The net realized gain is included in net realized capital gains less capital gains tax in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were \$20,128,633 and \$5,809,432 and for short-term investments were \$1,247,214,786 and \$767,345,018 in 2014 and 2013, respectively.

As of December 31, 2014 and 2013, the amortized cost, fair value, and gross unrealized holding gains and losses of the Company’s investments, excluding cash and cash equivalents of \$783,518 and \$58,348,060, respectively, are as follow:

	2014				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency securities	\$ 29,289,357	\$ 487,827	\$ (970)	\$ (42,480)	\$ 29,733,734
State and agency municipalities	43,131,830	1,183,074	(7,044)	-	44,307,860
City and county municipalities	38,284,353	1,139,169	(34,599)	-	39,388,923
Corporate debt securities	65,417,045	621,234	(151,940)	(21,622)	65,864,717
Money-market funds	186,129,443	-	-	-	186,129,443
Total bonds and short-term investments	<u>\$ 362,252,028</u>	<u>\$ 3,431,304</u>	<u>\$ (194,553)</u>	<u>\$ (64,102)</u>	<u>\$ 365,424,677</u>

	2014				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
Less than one year	\$ 194,141,900	\$ 55,267	\$ -	\$ -	\$ 194,197,167
One to five years	73,843,741	853,750	(92,328)	(746)	74,604,417
Five to ten years	65,524,954	2,070,969	(90,538)	(18,659)	67,486,726
Over ten years	28,741,432	451,318	(11,687)	(44,696)	29,136,367
Total bonds and short-term investments	<u>\$ 362,252,027</u>	<u>\$ 3,431,304</u>	<u>\$ (194,553)</u>	<u>\$ (64,101)</u>	<u>\$ 365,424,677</u>

	2013				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency securities	\$ 21,698,491	\$ 160,901	\$ (277,206)	\$ (75,751)	\$ 21,506,435
State and agency municipalities	29,082,004	592,614	(36,478)	-	29,638,140
City and county municipalities	26,391,763	278,903	(86,890)	-	26,583,776
Corporate debt securities	38,163,048	486,992	(271,832)	-	38,378,208
Money-market funds	39,223,996	-	-	-	39,223,996
Total bonds and short-term investments	<u>\$ 154,559,302</u>	<u>\$ 1,519,410</u>	<u>\$ (672,406)</u>	<u>\$ (75,751)</u>	<u>\$ 155,330,555</u>

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities’ final maturity date and at an amortized cost of \$29,138,523 and fair value of \$29,525,533.

The following table illustrates the fair value and gross unrealized holding losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2014 and 2013:

	2014					
	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	\$ 2,353,495	\$ (970)	\$ 1,909,168	\$ (42,480)	\$ 4,262,663	\$ (43,450)
State and agency municipalities	6,453,220	(7,044)	-	-	6,453,220	(7,044)
City and county municipalities	6,946,804	(34,599)	-	-	6,946,804	(34,599)
Corporate debt securities	26,153,910	(151,940)	1,601,973	(21,622)	27,755,883	(173,562)
Total bonds	<u>\$ 41,907,429</u>	<u>\$ (194,553)</u>	<u>\$ 3,511,141</u>	<u>\$ (64,102)</u>	<u>\$ 45,418,570</u>	<u>\$ (258,655)</u>

	2013					
	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	\$ 10,642,909	\$ (277,206)	\$ 724,913	\$ (75,751)	\$ 11,367,822	\$ (352,957)
State and agency municipalities	1,730,067	(36,478)	-	-	1,730,067	(36,478)
City and county municipalities	11,442,484	(86,890)	-	-	11,442,484	(86,890)
Corporate debt securities	19,235,056	(271,832)	-	-	19,235,056	(271,832)
Total bonds	<u>\$ 43,050,516</u>	<u>\$ (672,406)</u>	<u>\$ 724,913</u>	<u>\$ (75,751)</u>	<u>\$ 43,775,429</u>	<u>\$ (748,157)</u>

The unrealized losses on investments in U.S. government and agency securities, state and agency municipalities, city and county municipalities, and corporate debt securities at December 31, 2014 and 2013, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its amortized cost. The contractual cash flows of the U.S. government and agency obligations are either guaranteed by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipalities and local agency obligations and corporate obligations, noting whether a significant deterioration since purchase or other factors that may indicate an other-than-temporary impairment (“OTTI”), such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company’s intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain mortgage-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company recorded OTTI of \$31,306 and \$0 as of December 31, 2014 and 2013 respectively, which is included in net realized capital gains less capital gains tax in the statutory basis statement of operations.

**A–C.** The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.

**D. Loan-Backed Securities**

- (1) U.S. government and agency securities and corporate debt securities include mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of mortgage-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.
- (2) The Company did not recognize any OTTI on mortgage-backed securities as of December 31, 2014 and 2013.
- (3) The Company did not have any mortgage-backed securities with an OTTI to report by CUSIP as of December 31, 2014 or 2013.

- (4) The following table illustrates the fair value, gross unrealized losses, and length of time that the mortgage-backed securities have been in a continuous unrealized loss position as of December 31, 2014 and 2013:

	2014
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ (20,462)
2. 12 Months or Longer	\$ (44,696)
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	\$ 12,739,475
2. 12 Months or longer	\$ 2,537,756
	2013
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ (221,055)
2. 12 Months or Longer	\$ (75,751)
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	\$ 10,625,313
2. 12 Months or Longer	\$ 724,913

- (5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrealized losses as of December 31, 2014 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

- E. Repurchase Agreements and/or Securities Lending Transactions — Not applicable.
- F. Real Estate — Not applicable.
- G. Low-Income Housing Tax Credits — Not applicable.

H. Restricted Assets

(1) Restricted assets – including pledged as of December 31, 2014 and 2013:

	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
Restricted Asset Category						
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	0%	0%
b. Collateral held under security lending agreements	-	-	-	-	0%	0%
c. Subject to repurchase agreements	-	-	-	-	0%	0%
d. Subject to reverse repurchase agreements	-	-	-	-	0%	0%
e. Subject to dollar repurchase agreements	-	-	-	-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	0%	0%
g. Placed under option contracts	-	-	-	-	0%	0%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	0%	0%
i. FHLB capital stock	-	-	-	-	0%	0%
j. On deposit with state	433,150	448,606	(15,456)	433,150	0%	0%
k. On deposit with other regulatory bodies	-	-	-	-	0%	0%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	0%	0%
m. Pledged as collateral not captured in other categories	-	-	-	-	0%	0%
n. Other restricted assets	-	-	-	-	0%	0%
o. Total Restricted Assets	<u>\$ 433,150</u>	<u>\$ 448,606</u>	<u>\$ (15,456)</u>	<u>\$ 433,150</u>	<u>0%</u>	<u>0%</u>

(2-3) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2014 or 2013.

I. Working Capital Finance Investments — Not applicable.

J. Offsetting and Netting of Assets and Liabilities

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

K. Structured Notes

The Company does not have any structured notes.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

A–B. The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

7. INVESTMENT INCOME

A. The Company has admitted all investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.



The components of net investment income earned as of December 31, 2014 and 2013 are as follows:

	2014	2013
Bonds	\$ 3,513,765	\$ 1,728,809
Cash, cash equivalents, and short-term investments	<u>63,249</u>	<u>62,583</u>
Total investment income earned	3,577,014	1,791,392
Expenses — investment management fees	<u>(104,528)</u>	<u>(57,094)</u>
Net investment income earned	<u>\$ 3,472,486</u>	<u>\$ 1,734,298</u>

B. There were no investment income amounts excluded from the statutory basis financial statements.

8. DERIVATIVE INSTRUMENTS

A–F. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2014 and 2013, are as follows:

	2014			2013			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1+4) Ordinary	(Col 2+5) Capital	(Col 7+8) Total
(a) Gross deferred tax assets	\$ 3,237,447	\$ 6,800	\$ 3,244,247	\$ 2,943,800	\$ -	\$ 2,943,800	\$ 293,647	\$ 6,800	\$ 300,447
(b) Statutory valuation allowance adjustments	-	6,800	6,800	-	-	-	-	6,800	6,800
(c) Adjusted gross deferred tax assets (1a–1b)	3,237,447	-	3,237,447	2,943,800	-	2,943,800	293,647	-	293,647
(d) Deferred tax assets not admitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c–1d)	3,237,447	-	3,237,447	2,943,800	-	2,943,800	293,647	-	293,647
(f) Deferred tax liabilities	14,426	-	14,426	7,129	3,025	10,154	7,297	(3,025)	4,272
(g) Net admitted deferred tax asset/ (net deferred tax liability) (1e–1f)	<u>\$ 3,223,021</u>	<u>\$ -</u>	<u>\$ 3,223,021</u>	<u>\$ 2,936,671</u>	<u>\$ (3,025)</u>	<u>\$ 2,933,646</u>	<u>\$ 286,350</u>	<u>\$ 3,025</u>	<u>\$ 289,375</u>

(2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes — A Replacement of SSAP No. 10R and SSAP No. 10*, are as follows:

Admission Calculation Components SSAP No. 101	2014			2013			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 3,237,447	\$ -	\$ 3,237,447	\$ 2,943,800	\$ -	\$ 2,943,800	\$ 293,647	\$ -	\$ 293,647
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below )	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized follow ing the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allow ed per limitation threshold	XXX	XXX	22,645,383	XXX	XXX	19,193,245	XXX	XXX	3,452,138
(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	-	-	-	-	-	-	-	-	-
(d) Deferred tax assets admitted as the result of application of SSAP No. 101									
Total (2(a)+2(b)+2(c))	\$ 3,237,447	\$ -	\$ 3,237,447	\$ 2,943,800	\$ -	\$ 2,943,800	\$ 293,647	\$ -	\$ 293,647

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admission calculation are presented below:

	2014	2013
(a) Ratio percentage used to determine recovery period and threshold limitation amount	552 %	660 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above (in thousands)	\$ 150,969,221	\$ 127,954,967

(4) There was no impact to the gross deferred tax assets as a result of tax-planning strategies.

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities.

C. Significant Components of Income Taxes

(1) The current federal income taxes incurred for the years ended December 31, 2014 and 2013 are as follows:

	1 2014	2 2013	3 (Col 1-2) Change
1. Current income tax			
(a) Federal	\$ 30,649,002	\$ 13,744,638	\$ 16,904,364
(b) Foreign	-	-	-
(c) Subtotal	30,649,002	13,744,638	16,904,364
(d) Federal income tax on net capital gains	49,086	39,498	9,588
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	\$ 30,698,088	\$ 13,784,136	\$ 16,913,952



**(2-4)** The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2014 and 2013, are as follows:

	1	2	3
	2014	2013	(Col 1-2) Change
2. Deferred tax assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 448,161	\$ 282,627	\$ 165,534
(2) Unearned premium reserve	4,772	59,906	(55,134)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	1,561,245	1,270,690	290,555
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	<u>1,223,269</u>	<u>1,330,577</u>	<u>(107,308)</u>
(99) Subtotal	3,237,447	2,943,800	293,647
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	<u>-</u>	<u>-</u>	<u>-</u>
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	<u>3,237,447</u>	<u>2,943,800</u>	<u>293,647</u>
(e) Capital			
(1) Investments	6,800	-	6,800
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	<u>-</u>	<u>-</u>	<u>-</u>
(99) Subtotal	6,800	-	6,800
(f) Statutory valuation allowance adjustment	6,800	-	6,800
(g) Nonadmitted	<u>-</u>	<u>-</u>	<u>-</u>
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	<u>-</u>	<u>-</u>	<u>-</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>3,237,447</u>	<u>2,943,800</u>	<u>293,647</u>
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Investments	14,426	7,129	7,297
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	<u>-</u>	<u>-</u>	<u>-</u>
(99) Subtotal	<u>14,426</u>	<u>7,129</u>	<u>7,297</u>
(b) Capital			
(1) Investments	-	3,025	(3,025)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	<u>-</u>	<u>-</u>	<u>-</u>
(99) Subtotal	<u>-</u>	<u>3,025</u>	<u>(3,025)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>14,426</u>	<u>10,154</u>	<u>4,272</u>
4. Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 3,223,021</u>	<u>\$ 2,933,646</u>	<u>\$ 289,375</u>

The other ordinary deferred tax asset of \$1,223,269 for 2014 consists of bad debts of \$753,721, and accrued fines and penalties of \$469,548. The other ordinary deferred tax asset of \$1,330,577 for 2013 consists of bad debts.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of \$6,800 and \$0 to reduce the gross deferred tax asset to \$3,237,447 and \$2,943,800 as of December 31, 2014 and 2013, respectively which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses and/or expectations for future taxable income.

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income before federal income taxes, plus capital gains tax. A summarization of the significant items causing this difference as of December 31, 2014 and 2013 are as follows:

	2014	2013
Tax provision at the federal statutory rate	\$ 27,485,645	\$ 13,318,283
Tax-exempt interest	(492,276)	(243,713)
Change in statutory valuation allowance	6,800	-
Health insurer fee	3,459,121	-
Tax effect of nonadmitted assets	(286,327)	(639,976)
Other	235,749	-
Total statutory income taxes	<u>\$ 30,408,712</u>	<u>\$ 12,434,594</u>
Federal income taxes incurred	\$ 30,649,001	\$ 13,744,639
Capital gains tax	49,086	39,498
Change in net deferred income tax	(289,375)	(1,349,543)
Total statutory income taxes	<u>\$ 30,408,712</u>	<u>\$ 12,434,594</u>

- E. At December 31, 2014, the Company had no net operating loss carryforwards.

Current federal income taxes payable (recoverable) of \$6,974,088 and \$(583,864) as of December 31, 2014 and 2013, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were \$23,140,136 and \$15,623,957 in 2014 and 2013, respectively.

Federal income taxes incurred of \$30,698,088 and \$13,784,136 for 2014 and 2013, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service Code ("IRS").

- F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y — Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2013 and prior. UnitedHealth Group's 2014 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2007 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

- G. **Tax Contingencies** — Not applicable.

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

### A–L. Material Related Party Transactions

Pursuant to the terms of a Management Agreement (the "Agreement"), UHS will provide management services to the Company under a fee structure, which is based on a percentage of premium charge representing UHS' expenses for services or use of assets provided to the Company. In addition, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a PMPM basis (where the charge incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services may include, but are not limited to, integrated personal health management solutions, such as disease management, treatment decision support, and wellness services, including a 24-hour call-in service, access to a network of transplant providers, and discount program services. The amount and types of services provided pursuant to the pass-through provision of the Agreement can change year over year as UHS becomes the contracting entity for services provided to the Company's members. Total administrative services, capitation, and access fees under this arrangement totaled \$97,881,100 and \$60,311,833 in 2014 and 2013, respectively, and are included in total hospital and medical expenses, general administrative expenses, and claims adjustment expenses in the statutory basis statements of operations. Direct expenses not covered

under the Agreement, such as department of insurance exam fees, ACA assessments, and use taxes, are paid by UHS on behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

The Company also directly contracts with related parties to provide services to its members. The Company expensed as hospital and medical expenses, general administrative expenses, and claims adjustment expenses \$39,366,735 and 14,180,482 in capitation fees to related parties during 2014 and 2013, respectively. United Behavioral Health provides mental health and substance abuse services. OptumHealth Care Solutions, Inc. provides chiropractic and physical services. The capitation expenses, administrative services, and access fees paid to related parties, that are included as hospital and medical expenses, general administrative expenses, and claims adjustment expenses in the statutory basis statements of operations for the years ended December 31, 2014 and 2013, are shown below:

	2014	2013
United Behavioral Health	\$ 39,105,808	\$ 14,014,502
OptumHealth Care Solutions, Inc.	<u>260,927</u>	<u>165,980</u>
Total	<u>\$ 39,366,735</u>	<u>\$ 14,180,482</u>

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company contracts with affiliates (“UHS” and “OptumRx”) to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements, which are calculated on a per-script basis, of \$4,651,828 and \$2,800,497 in 2014 and 2013, respectively, are included in general administrative expenses and claims adjustment expenses in the statutory basis statements of operations.

The Company contracts with OptumRx to provide personal health products catalogues showing the healthcare products and benefit credits needed to redeem the respective products. OptumRx will mail the appropriate personal health products’ catalogues to the Company’s members and manage the personal health products credit balance. OptumRx also distributes personal health products to individual members based upon the terms of the agreement. Fees related to this agreement in 2014 and 2013, which are calculated on a PMPM basis of \$775,546 and \$61,396 are included in hospital and medical expenses in the statutory basis statements of operations.

The Company has an agreement with OptumInsight, Inc., an affiliate of the Company, for claim analytics, recovery of medical expense overpayments, retroactive fraud, waste and abuse, subrogation and premium audit services. All recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis and a capitated service fee is charged to the Company as a PMPM. Service fees of \$4,042,834 and \$1,023,502 are included in hospital and medical expenses, claims adjustment expenses, and general administrative expenses in the statutory basis statements of operations for the years ended December 31, 2014 and 2013, respectively.

The Company has premium payments that are received and claim payments that are processed by an affiliated UnitedHealth Group entity. Both premiums and claims applicable to the Company are settled at regular intervals throughout the month via the intercompany settlement process and any amounts outstanding are reflected in amounts due to parent, subsidiaries, and affiliates in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has an insolvency-only reinsurance agreement with UHIC, an affiliate of the Company, to provide insolvency protection for its enrollees. Reinsurance premiums, which are calculated on a percentage of member premium income, of \$936,465 and \$658,079 in 2014 and 2013, respectively, are netted against net premium income in the statutory basis statement of operations.

The Company has an excess loss reinsurance agreement with UHIC to cover certain inpatient hospital claims in excess of defined limits. Reinsurance premiums, which are calculated on a PMPM basis, of \$7,493,861 and \$4,836,578 in 2014 and 2013, respectively, are netted against net premium income in the statutory basis statements of operations. Reinsurance recoveries of \$13,401,652 and \$3,306,740 in 2014 and 2013, respectively, are included in net reinsurance recoveries in the statutory basis statements of operations. There was \$0 and \$588,044 of reinsurance receivables related to this agreement as of December 31, 2014 and 2013, respectively. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company.

The Company holds a \$30,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate (“LIBOR”) plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless

terminated by either party. No amounts were outstanding under the line of credit as of December 31, 2014 and 2013.

At December 31, 2014 and 2013, the Company reported \$23,879,529 and \$21,354,876, respectively, as amounts due to parent, subsidiaries, and affiliates, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid a dividend of \$24,000,000 and \$0 in 2014 and 2013, respectively, to its parent (see Note 13).

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiary, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

## 11. DEBT

**A–B.** The Company had no outstanding debt with third parties or outstanding federal home loan bank agreements during 2014 and 2013.

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

**A–I.** The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of a management agreement (see Note 10).

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

- (1–2)** The Company has 1,000 shares authorized and 1,000 shares issued and outstanding of \$1 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, TRH.
- (3)** Under the laws of the State of Ohio, all dividends and other distributions to shareholders must be reported to the Superintendent of the ODI (the "Superintendent"). Extraordinary dividends or other extraordinary distributions must be approved by the Superintendent in advance. An extraordinary dividend or distribution includes any dividend distribution of cash or other property, whose fair market value, together with that of other dividends or distributions made within the preceding twelve months, and a statement of the effect of the proposed dividend on the surplus and the reasonableness of surplus in relation to the outstanding liabilities and financial needs.
- (4)** The Company paid an ordinary cash dividend to TRH of \$24,000,000 on November 17, 2014, which required no approval and was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- (5)** The amount of ordinary dividends that may be paid out during any given period are subject to certain restrictions as specified by state statute.
- (6)** There are no restrictions placed on the Company's unassigned surplus.
- (7)** The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.
- (8)** The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.

- (9) As discussed in Note 1, an amount equal to the estimated subsequent year ACA fee must be apportioned out of unassigned surplus and reported as aggregate write-ins for special surplus funds. For the year ending December 31, 2014, the amount was \$25,925,437.
- (10) The portion of unassigned funds, excluding the apportionment of estimated subsequent year Section 9010 ACA fee and net income, represented (or reduced) by each item below is as follows:

	2014	2013	Change
Net deferred income taxes	\$ 3,223,020	\$ 2,933,645	\$ 289,375
Nonadmitted assets	<u>(4,460,700)</u>	<u>(3,642,624)</u>	<u>(818,076)</u>
Total	<u>\$ (1,237,680)</u>	<u>\$ (708,979)</u>	<u>\$ (528,701)</u>

- (11-13) The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. LIABILITIES, CONTINGENCIES and ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company is not aware of any assessments, potential or accrued, that could have a material financial effect on the operations of the entity.

C. Gain Contingencies

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

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 Contingences

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters: involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The Company has been, or is currently involved in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. Certain of the Company's businesses have been reviewed or are currently under review.

Health Reform Legislation and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments,



increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing the Company's liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition, and cash flows could be materially adversely affected by such changes. The Health Reform Legislation may create new or expand existing opportunities for business growth, but due to its complexity, the long term impact of the Health Reform Legislation remains difficult to predict and is not yet fully known.

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

There are no assets that the Company considers to be impaired at December 31, 2014 and 2013, except as disclosed in Note 5 and Note 20.

## 15. LEASES

**A–B.** According to the management agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

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

**(1–4)** The Company does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

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

**A–C.** The Company did not participate in any transfer of receivables, financial assets, or wash sales.

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

**A–B.** The Company has no operations from Administrative Services Only Contracts or Administrative Services Contract in 2014 and 2013.

### **C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

The Medicare Part D program under MyCare Ohio is a partially insured plan. The Company recorded a receivable of \$2,216,528 at December 31, 2014 for cost reimbursements under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies as described in Note 1, *Amounts Receivable Relating to Uninsured Plans*. The Company also recorded a receivable of \$4,182 at December 31, 2014 for the Medicare Part D Coverage Gap Discount Program as described in Note 1, *Amounts Receivable Relating to Uninsured Plans*.

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

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2014 and 2013.

## 20. FAIR VALUE MEASUREMENT

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

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

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

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

- Inputs that are derived principally from or corroborated by other observable market data.

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

The estimated fair values of bonds and short-term investments are based on quoted market prices, where available. The Company obtains one price for each security, primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

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

A. Fair Value

(1–5) The Company does not have any financial assets that are measured and reported at fair value on the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2014 and 2013.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2014 and 2013 is presented in the table below:

Types of Financial Investment	2014					Not Practical Carrying Value
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	
U.S. government and agency securities	\$ 29,733,734	\$ 29,289,357	\$ 5,731,015	\$ 24,002,719	\$ -	\$ -
State and agency municipalities	44,307,860	43,131,830	-	44,307,860	-	-
City and county municipalities	39,388,923	38,284,353	-	39,388,923	-	-
Corporate debt securities	65,864,718	65,417,045	-	65,864,718	-	-
Money-market funds	186,129,443	186,129,443	186,129,443	-	-	-
Total bonds and short-term investments	<u>\$ 365,424,678</u>	<u>\$ 362,252,028</u>	<u>\$ 191,860,458</u>	<u>\$ 173,564,220</u>	<u>\$ -</u>	<u>\$ -</u>
Types of Financial Investment	2013					Not Practical Carrying Value
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	
U.S. government and agency securities	\$ 21,506,435	\$ 21,698,491	\$ 3,578,899	\$ 17,927,536	\$ -	\$ -
State and agency municipalities	29,638,140	29,082,004	-	29,638,140	-	-
City and county municipalities	26,583,776	26,391,763	-	26,583,776	-	-
Corporate debt securities	38,378,208	38,163,048	-	38,378,208	-	-
Money-market funds	39,223,996	39,223,996	39,223,996	-	-	-
Total bonds and short-term investments	<u>\$ 155,330,555</u>	<u>\$ 154,559,302</u>	<u>\$ 42,802,895</u>	<u>\$ 112,527,660</u>	<u>\$ -</u>	<u>\$ -</u>

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy table above are U.S. Treasury securities of \$5,731,015 and \$3,578,899 as of December 31, 2014 and December 31, 2013, respectively.

There are no commercial paper investments included in corporate debt securities in the fair value hierarchy table as of December 31, 2014 and 2013.

D. Not Practicable to Estimate Fair Value — Not applicable.

## 21. OTHER ITEMS

As of December 31, 2014, the Company recorded MyCare Ohio under the Title XIX Medicaid column on the supplemental schedules of the NAIC annual statement.

Effective for calendar years 2014 and 2013 the ACA has mandated that certain practicing PCPs are eligible to receive increased payments for specified primary care services provided to Medicaid eligible individuals. This is to encourage PCPs to serve the Medicaid population in advance of the Medicaid expansion in 2014. This government mandate will expire at December 31, 2014.

ACA requires that the managed care organizations ("MCO's") reimburse PCPs at a rate of no less than 100 percent of Medicare fee schedule rates for specified services. The federal government will finance the difference between the state Medicaid fee schedule rate and the corresponding Medicare fee schedule rate ("enhanced rate payment") during calendar years 2014 and 2013. The state will in turn fund the enhanced rate payments to the MCO's as part of an enhanced Medicaid capitation monthly premium or as a lump sum payment of the rate differential, depending on the model selected by each state and approved by CMS.

- A. The Company did not encounter any extraordinary items for the years ended December 31, 2014 or 2013.
- B. The Company has no troubled debt restructurings as of December 31, 2014 or 2013.
- C. The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments.
- D. The Company has not received any business interruption insurance recoveries during 2014 and 2013.
- E. The Company has no transferrable or non-transferable state tax credits.
- F. **Sub-Prime Mortgage-Related Risk Exposure**
  - (1) The investment policy for the Company limits investments in asset-backed securities, which includes sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered are rated NAIC rating of 1 or 2.
  - (2) The Company has no direct exposure through investments in subprime mortgage loans.
  - (3) The Company has no direct exposure through other investments.
  - (4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.
- G. The Company does not have any retained asset accounts for beneficiaries.

## 22. SUBSEQUENT EVENTS

### **TYPE I – Recognized Subsequent Events:**

Subsequent events have been evaluated through March 1, 2015, which is the date these statutory basis financial statements were available for issuance.

There are no events subsequent to December 31, 2014, that require disclosure.

### **TYPE II – Nonrecognized Subsequent Events:**

Subsequent events have been evaluated through March 1, 2015, which is the date these statutory basis financial statements were available for issuance.

The Company is subject to the annual fee under Section 9010 of the ACA. This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity'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. As of December 31, 2014, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2015, and estimates its portion of the annual health insurance industry fee payable on September 30, 2015 to be \$25,925,437. This amount is reflected in aggregate write-ins for special surplus funds. The



Company’s Authorized Control Level RBC (“ACL RBC”) ratio was 469% as of December 31, 2014.  
Reporting the ACA assessment as of December 31, 2014 would not have triggered an RBC action level.

		<u>Current Year</u>	<u>Prior Year</u>
A.	ACA fee assessment payable for the upcoming year	\$ 25,925,437	\$ 9,780,264
B.	ACA fee assessment paid	\$ 9,883,204	\$ -
C.	Premium written subject to ACA 9010 assessment	\$ 1,353,481,908	\$ 671,779,056
D.	Total Adjusted Capital before surplus adjustment	\$ 154,192,242	
E.	Authorized Control Level before surplus adjustment	\$ 27,338,177	
F.	Total Adjusted Capital after surplus adjustment	\$ 128,266,805	
G.	Authorized Control Level after surplus adjustment	\$ 27,338,177	
H.	Would reporting the ACA assessment as of December 31, 2014, have triggered an RBC action level (YES/NO/Not Applicable)?		<u>No</u>

There are no other events subsequent to December 31, 2014 that require disclosure.

23. REINSURANCE

**Reinsurance Agreements** — In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with affiliated (see Note 10) reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured.

A. Ceded Reinsurance Report

Section 1 — General Interrogatories

- (1) Are any of the reinsurers, 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)
- (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)

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 credit?
- Yes ( ) No (X)
- (2) Does the reporting entity have any reinsurance agreements in effect 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)

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.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2014.

- (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)

- B. Uncollectible Reinsurance** — During 2014 and 2013, there were no uncollectible reinsurance recoverables.
- C. Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2014 or 2013.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable.

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

- A.** The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.
- B.** Estimated accrued retrospective premiums due to the Company are recorded in premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to net premium income in the statutory basis statements of operations.
- C.** The Company has Medicare Part D program business under MyCare Ohio which is subject to a retrospective rating feature related to Part D Premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The amount of Part D direct premiums written subject to retrospective rating was \$2,089,123 representing 0.1% of total direct premiums written for 2014.

The Medicaid business contract with the State of Ohio includes Aged, Blind, and Disabled (ABD) program which is subject to retrospective rating features. The Company estimates accrued retrospective premium adjustments for its ABD program based on the contract with ODM. The amount of net premium income that is subject to the ABD program contract retrospective rating feature is \$274,523,300 and \$261,301,854, representing 19.3% and 38.9% of total direct premiums written as of December 31, 2014 and 2013, respectively.

The Medicaid business contract with ODM, includes a provision for which a stated percentage of total direct premiums written can be eligible for a performance guarantee payment, based on various quality measures. The total Medicaid direct premiums written used as the basis for this redetermination feature was \$1,025,930,845 and \$671,779,056, which represents 72.2% and 100%, of the Company's total direct premiums written, as of December 31, 2014 and 2013, respectively.

Pursuant to the Health Reform Legislation, effective for calendar years 2014 and 2013, the state has elected to administer the additional PCP funds through prospective capitation increases with risk-sharing that incorporates a reconciliation model (see Note 21). Under this model, the state pays the Company prospectively but also reconciles after the contract period based on utilization and any excess or shortage, is remitted or received back from the state. The amount of Medicaid direct premiums written used as the basis for this retrospective rating feature was \$1,293,346,036 and \$671,779,056, representing 91.0% and 100.0% of total direct premiums written as of December 31, 2014 and 2013, respectively.

- D.** The Company does not have any comprehensive major medical business subject to specific minimum loss ratio requirements as of December 31, 2014 and December 31, 2013.

Pursuant to contractual requirements effective for years beginning in 2014, the Company is required to maintain a specific minimum medical loss ratio on its MyCare Ohio and Expansion plans. The Company's actual medical loss ratios were in excess of the minimum requirements and, as a result, no minimum medical loss ratio liability for was required to be established as of December 31, 2014.

- E. Risk-Sharing Provisions of the Affordable Care Act**

(1-3) The Company did not write Accident and Health premiums in 2014 subject to the risk-sharing provisions of the ACA on assets, liabilities, and revenue.

**25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES**

Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid, accrued medical incentive pool and

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

bonus amounts, aggregate health claim reserves, health care receivable and reinsurance recoverables for 2014 and 2013:

	2014		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$ (74,669,914)	\$ (74,669,914)
Paid claims, net of health care receivable and reinsurance recoveries collected	940,156,910	47,369,258	987,526,168
End of year claim reserve	<u>139,744,226</u>	<u>3,154,939</u>	<u>142,899,165</u>
Incurred claims excluding the change in health care receivable and reinsurance recoverables as presented below	1,079,901,136	(24,145,717)	1,055,755,419
Beginning of year health care receivable and reinsurance recoverables	-	10,435,990	10,435,990
End of year health care receivable and reinsurance recoverables	<u>(11,865,723)</u>	<u>(1,888,548)</u>	<u>(13,754,271)</u>
Total incurred claims	<u>\$ 1,068,035,413</u>	<u>\$ (15,598,275)</u>	<u>\$ 1,052,437,138</u>

	2013		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$ (41,672,941)	\$ (41,672,941)
Paid claims, net of health care receivable and reinsurance recoveries collected	454,953,982	26,553,781	481,507,763
End of year claim reserve	<u>72,172,143</u>	<u>2,497,771</u>	<u>74,669,914</u>
Incurred claims excluding the change in health care receivable and reinsurance recoverables as presented below	527,126,125	(12,621,389)	514,504,736
Beginning of year health care receivable and reinsurance recoverables	-	6,548,499	6,548,499
End of year health care receivable and reinsurance recoverables	<u>(10,260,529)</u>	<u>(175,461)</u>	<u>(10,435,990)</u>
Total incurred claims	<u>\$ 516,865,596</u>	<u>\$ (6,248,351)</u>	<u>\$ 510,617,245</u>

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care receivable, and reinsurance recoverables as of December 31, 2013 were \$64,233,924. As of December 31, 2014, \$47,369,258 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care receivable and reinsurance recoverables are \$1,266,391, as a result of re-estimation of unpaid claims. Therefore, there has been \$15,598,275 favorable prior year development since December 31, 2013 to December 31, 2014. The primary drivers consist of favorable development as a result of a change in the provision for adverse deviations in experience of \$4,607,298 and favorable development of \$13,286,679 in retroactivity for inpatient, outpatient, physician, and pharmacy claims, partially offset by unfavorable development of \$1,734,625 in provider settlements. Included within the physician claim retroactivity is a reduction of 2013 ACA PCP enhanced payment rates that the Company estimated as due to the provider within claims unpaid in the December 31, 2013 financial statements. This favorable retroactivity offsets the increase in reserve for experience rated refunds during 2014. At December 31, 2013, the Company recorded \$6,248,351 of favorable development related to favorable development as a result of a change in the provision for adverse deviations in experience of \$2,917,094 and by favorable development of \$3,287,350 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this favorable development is the impact related to retrospectively rated policies. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

The Company incurred claims adjustment expenses of \$64,409,005 and \$34,212,846 in 2014 and 2013, respectively. These costs are included in the management service fees paid by the Company to UHS as

a part of its management agreement (see Note 10). The following tables disclose paid CAE, incurred CAE, and the balance in the unpaid claim adjustment expenses reserve for 2014 and 2013:

	2014	2013
Total claims adjustment expenses	\$ 64,409,005	\$ 34,212,846
Less current year unpaid claims adjustment expenses	(2,080,244)	(1,309,043)
Add prior year unpaid claims adjustment expenses	<u>1,309,043</u>	<u>918,208</u>
Total claims adjustment expenses paid	<u>\$ 63,637,804</u>	<u>\$ 33,822,011</u>

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2014 or 2013.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2014 or 2013.

28. HEALTH CARE AND OTHER AMOUNTS RECEIVABLE

A. Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmacy benefit manager in accordance with pharmacy rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmacy benefit manager and adjusted for significant changes in pharmacy contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted all pharmacy rebates receivable that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmacy management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria, the transaction history is summarized as follows:

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	\$ 4,039,676	\$ -	\$ -	\$ -	\$ -
9/30/2014	3,558,353	3,202,546	1,607,677	-	-
6/30/2014	2,636,101	2,787,414	908,552	1,092,667	-
3/31/2014	2,024,929	2,067,142	280,183	696,265	898,243
12/31/2013	1,970,130	1,792,304	145,269	628,435	889,645
9/30/2013	1,569,093	1,669,412	230,331	554,611	812,696
6/30/2013	886,951	1,195,305	176,391	762,927	208,736
3/31/2013	757,605	990,853	11,032	642,895	282,385
12/31/2012	922,259	1,002,561	149,975	525,709	296,680
9/30/2012	-	655,409	161,136	488,499	11,076
6/30/2012	-	808,964	177,705	557,892	68,629
3/31/2012	-	796,844	58,638	610,075	128,530

Of the amount reported as health care and other amounts receivable, \$5,617,353 and \$2,281,710 relates to pharmacy rebates receivable as of December 31, 2014 and 2013, respectively. This increase is primarily due to increased membership along with the change in generic/name brand mix.

B. The Company does not have any risk-sharing receivables.

The Company also admitted \$2,633,818 and \$1,662,787 for claim overpayment receivables and \$1,042,400 and \$2,272,907 for receivables due from ODM for reimbursable claims and performance based payments in 2014 and 2013, respectively, which are included in health care and other amounts receivable in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2014 or 2013.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2014 or 2013. The analysis of premium deficiency reserves was completed as of December 31, 2014 and 2013. The Company did consider anticipated investment income when calculating the premium deficiency reserves.

The following table summarizes the Company’s premium deficiency reserves as of December 31, 2014 and 2013:

	2014
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	12/31/2014
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	2013
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	12/31/2013
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2014 and 2013, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

\* \* \* \* \*

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. ....

12/31/2009

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). ....

10/01/2010

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).

0.0 %

1	2
Nationality	Type of Entity

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 [ X ] No [ ]
- 8.4

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Optum Bank, Inc.	Salt Lake City, UT	NO	NO	YES	NO

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Baker Tilly Virchow Krause LLP, 225 South 6th Street, Suite 2300, Minneapolis, MN
- 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?

Kevin B. Francis, FSA, MAAA, Vice President, Actuarial Services  
UnitedHealthcare Community & State  
9800 Healthcare Lane  
Minnetonka, MN 55343
- 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

0
- 12.13

Total book/adjusted carrying value

\$ 0
- 12.2

If, yes provide explanation:
13.

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

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

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

Yes [ ] No [ ]
- 13.3

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

Yes [ ] No [ ]
- 13.4

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

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

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

Yes [ X ] No [ ]
- (a)

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

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

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

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

Accountability for adherence to the code.
- 14.11

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

Has the code of ethics for senior managers been amended?

Yes [ ] No [ X ]
- 14.21

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

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

Yes [ ] No [ X ]
- 14.31

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



ANNUAL STATEMENT FOR THE YEAR 2014 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$0

20.12 To stockholders not officers\$0

20.13 Trustees, supreme or grand (Fraternal Only)\$0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$0

20.22 To stockholders not officers\$0

20.23 Trustees, supreme or grand (Fraternal Only)\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$0

21.22 Borrowed from others\$0

21.23 Leased from others\$0

21.24 Other\$0
- 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\$0

22.22 Amount paid as expenses\$9,897,702

22.23 Other amounts paid\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ X ] No [ ]
- 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)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.\$0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.\$0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]



ANNUAL STATEMENT FOR THE YEAR 2014 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

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.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes [ X ] No [ ]

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	0
		25.22 Subject to reverse repurchase agreements	\$	0
		25.23 Subject to dollar repurchase agreements	\$	0
		25.24 Subject to reverse dollar repurchase agreements	\$	0
		25.25 Placed under option agreements	\$	0
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
		25.27 FHLB Capital Stock	\$	0
		25.28 On deposit with states	\$	0
		25.29 On deposit with other regulatory bodies	\$	433,150
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
		25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount

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

Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

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

If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [ ] No [ X ]

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

\$ 0

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

Yes [ X ] No [ ]

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

1	2
Name of Custodian(s)	Custodian's Address
Bank of New York Mellon	Global Liquidity Services, 1 Wall St, 14th Floor, New York, NY 10286
Northern Trust	50 S. LaSalle, Chicago, IL 60675

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [ ] No [ X ]

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

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

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

1	2	3
Central Registration Depository Number(s)	Name	Address
113972	Standish Mellon Asset Management Company	201 Washington Street, Suite 2900, Boston, MA 02108-4408

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

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 .....	362,252,028	365,424,678	3,172,650
30.2 Preferred stocks .....	0	0	0
30.3 Totals	362,252,028	365,424,678	3,172,650

- 30.4 Describe the sources or methods utilized in determining the fair values:
- For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from HUB which is an external data sources vendor. Hub utilizes various pricing sources. ....

- 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 [ ] No [ X ]

- 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 [ ] 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 UnitedHealthcare Community Plan of Ohio, Inc.

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....0

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	2
Name	Amount Paid

34.1 Amount of payments for legal expenses, if any? .....\$ .....0

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	2
Name	Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

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	2
Name	Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

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

Yes [ ] No [ X ]

1.2

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

\$ 0

1.3

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

\$ 0

1.31

Reason for excluding

1.4

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

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

1,413,163,495

666,284,400

2.2

Premium Denominator

1,413,163,495

666,284,400

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

193,794,946

75,046,381

2.5

Reserve Denominator

193,794,946

75,046,381

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 [ X ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ X ] No [ ]

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 0

5.32

Medical Only

\$ 1,240,000

5.33

Medicare Supplement

\$ 0

5.34

Dental & Vision

\$ 0

5.35

Other Limited Benefit Plan

\$ 0

5.36

Other

\$ 0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
Hold harmless clauses in provider agreements and continuation of coverage endorsements in reinsurance agreement.

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

33,432

8.2

Number of providers at end of reporting year

37,548

9.1

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

Yes [ ] No [ X ]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$ 0

9.22

Business with rate guarantees over 36 months

\$ 0

28

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes ☒ No ☐
- 10.2 If yes:

10.21 Maximum amount payable bonuses.....\$ .....887,250

10.22 Amount actually paid for year bonuses.....\$ .....186,662

10.23 Maximum amount payable withholds.....\$ .....0

10.24 Amount actually paid for year withholds.....\$ .....0
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, ..... Yes ☐ No ☒

11.13 An Individual Practice Association (IPA), or, . Yes ☐ No ☒

11.14 A Mixed Model (combination of above)? ..... Yes ☒ No ☐
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? ..... Yes ☒ No ☐
- 11.3 If yes, show the name of the state requiring such net worth. .... Ohio
- 11.4 If yes, show the amount required. ....\$ .....54,676,354
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes ☐ No ☒
- 11.6 If the amount is calculated, show the calculation
- Net worth requirement is the greater of \$1,700,000 per Ohio statute or 200% of the Company's authorized control level risk based capital.
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Counties in the Central/Southeast Region: Athens Belmont Coshocton Crawford Delaware Fairfield Fayette Franklin Gallia Guernsey Harrison Hocking Jackson Jefferson Knox Lawrence Licking Logan Madison Marion Morrow Meigs Monroe Morgan Muskingum Noble Perry Pickaway Pike Ross Scioto Union Vinton Washington
Counties in the Northeast Region: Ashland Ashtabula Carroll Columbiana Cuyahoga Erie Holmes Geauga Huron Lake Lorain Portage Medina Mahoning Richland Stark Summit Trumbull Tuscarawas Wayne
Counties in the West Region: Adams Allen Auglaize Brown Butler Champaign Clark Clermont Clinton Darke Defiance Fulton Greene Hamilton Hancock Hardin Henry Highland Lucas Mercer Miami Montgomery Ottawa Paulding Preble Putnam Sandusky Seneca Shelby Van Wert Williams Wood Wyandot Warren .....

- 13.1 Do you act as a custodian for health savings accounts? ..... Yes ☐ No ☒
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. ....\$ .....0
- 13.3 Do you act as an administrator for health savings accounts? ..... Yes ☐ No ☒
- 13.4 If yes, please provide the balance of funds administered as of the reporting date. ....\$ .....0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes ☐ No ☒ N/A ☐
- 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 Letters of Credit	6 Trust Agreements	7 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 .....\$ .....0
- 15.2 Total Incurred Claims .....\$ .....0
- 15.3 Number of Covered Lives .....0

*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)

FIVE-YEAR HISTORICAL DATA

	1 2014	2 2013	3 2012	4 2011	5 2010
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	408,997,684	242,593,503	163,407,087	143,162,744	119,636,596
2. Total liabilities (Page 3, Line 24) .....	254,805,442	111,704,891	56,307,614	71,939,255	59,212,281
3. Statutory surplus .....	54,676,354	37,902,808	30,440,512	1,700,000	1,700,000
4. Total capital and surplus (Page 3, Line 33) .....	154,192,242	130,888,612	107,099,473	71,223,489	60,424,315
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	1,363,944,676	667,359,338	532,673,492	448,513,204	413,137,802
6. Total medical and hospital expenses (Line 18) .....	1,052,437,138	510,617,246	392,390,705	339,306,567	299,208,656
7. Claims adjustment expenses (Line 20) .....	64,409,005	34,212,846	20,285,633	16,055,586	7,292,205
8. Total administrative expenses (Line 21) .....	169,401,721	85,918,825	65,575,034	58,705,823	61,500,467
9. Net underwriting gain (loss) (Line 24) .....	77,696,813	36,610,421	54,422,120	34,445,228	45,136,474
10. Net investment gain (loss) (Line 27) .....	3,525,306	1,787,536	1,647,509	1,467,003	628,055
11. Total other income (Lines 28 plus 29) .....	(2,740,785)	(385,219)	0	0	0
12. Net income or (loss) (Line 32) .....	47,832,332	24,268,099	36,241,293	23,266,753	32,753,268
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	173,695,820	45,135,308	19,686,782	42,238,196	(21,052,081)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	154,192,242	130,888,612	107,099,473	71,223,489	60,424,315
15. Authorized control level risk-based capital .....	27,338,177	18,951,404	15,220,256	13,142,865	11,871,974
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	283,148	167,699	115,096	119,766	119,095
17. Total members months (Column 6, Line 7) .....	2,729,938	1,679,642	1,445,169	1,436,935	1,454,833
<b>Operating Percentage</b> (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) .....	77.2	76.7	73.9	76.1	72.8
20. Cost containment expenses .....	2.7	2.6	2.4	2.6	1.4
21. Other claims adjustment expenses .....	2.0	2.6	1.5	1.0	0.4
22. Total underwriting deductions (Line 23) .....	94.3	94.7	90.1	92.8	89.5
23. Total underwriting gain (loss) (Line 24) .....	5.7	5.5	10.2	7.7	11.0
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	49,223,693	29,838,490	29,040,511	40,037,104	35,586,099
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	64,821,968	36,086,841	47,492,693	38,774,378	51,742,151
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	0	0	0	0	0
32. Total of above Lines 26 to 31 .....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.	0	0	0	0	0

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

Yes [     ] No [     ]

If no, please explain: .....

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
States, etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N	0	0	0	0	0	0	0
2.	Alaska	AK	N	0	0	0	0	0	0	0
3.	Arizona	AZ	N	0	0	0	0	0	0	0
4.	Arkansas	AR	N	0	0	0	0	0	0	0
5.	California	CA	N	0	0	0	0	0	0	0
6.	Colorado	CO	N	0	0	0	0	0	0	0
7.	Connecticut	CT	N	0	0	0	0	0	0	0
8.	Delaware	DE	N	0	0	0	0	0	0	0
9.	District of Columbia	DC	N	0	0	0	0	0	0	0
10.	Florida	FL	N	0	0	0	0	0	0	0
11.	Georgia	GA	N	0	0	0	0	0	0	0
12.	Hawaii	HI	N	0	0	0	0	0	0	0
13.	Idaho	ID	N	0	0	0	0	0	0	0
14.	Illinois	IL	N	0	0	0	0	0	0	0
15.	Indiana	IN	N	0	0	0	0	0	0	0
16.	Iowa	IA	N	0	0	0	0	0	0	0
17.	Kansas	KS	N	0	0	0	0	0	0	0
18.	Kentucky	KY	N	0	0	0	0	0	0	0
19.	Louisiana	LA	N	0	0	0	0	0	0	0
20.	Maine	ME	N	0	0	0	0	0	0	0
21.	Maryland	MD	N	0	0	0	0	0	0	0
22.	Massachusetts	MA	N	0	0	0	0	0	0	0
23.	Michigan	MI	N	0	0	0	0	0	0	0
24.	Minnesota	MN	N	0	0	0	0	0	0	0
25.	Mississippi	MS	N	0	0	0	0	0	0	0
26.	Missouri	MO	N	0	0	0	0	0	0	0
27.	Montana	MT	N	0	0	0	0	0	0	0
28.	Nebraska	NE	N	0	0	0	0	0	0	0
29.	Nevada	NV	N	0	0	0	0	0	0	0
30.	New Hampshire	NH	N	0	0	0	0	0	0	0
31.	New Jersey	NJ	N	0	0	0	0	0	0	0
32.	New Mexico	NM	N	0	0	0	0	0	0	0
33.	New York	NY	N	0	0	0	0	0	0	0
34.	North Carolina	NC	N	0	0	0	0	0	0	0
35.	North Dakota	ND	N	0	0	0	0	0	0	0
36.	Ohio	OH	L	0	25,672,970	1,395,920,851	0	0	1,421,593,821	0
37.	Oklahoma	OK	N	0	0	0	0	0	0	0
38.	Oregon	OR	N	0	0	0	0	0	0	0
39.	Pennsylvania	PA	N	0	0	0	0	0	0	0
40.	Rhode Island	RI	N	0	0	0	0	0	0	0
41.	South Carolina	SC	N	0	0	0	0	0	0	0
42.	South Dakota	SD	N	0	0	0	0	0	0	0
43.	Tennessee	TN	N	0	0	0	0	0	0	0
44.	Texas	TX	N	0	0	0	0	0	0	0
45.	Utah	UT	N	0	0	0	0	0	0	0
46.	Vermont	VT	N	0	0	0	0	0	0	0
47.	Virginia	VA	N	0	0	0	0	0	0	0
48.	Washington	WA	N	0	0	0	0	0	0	0
49.	West Virginia	WV	N	0	0	0	0	0	0	0
50.	Wisconsin	WI	N	0	0	0	0	0	0	0
51.	Wyoming	WY	N	0	0	0	0	0	0	0
52.	American Samoa	AS	N	0	0	0	0	0	0	0
53.	Guam	GU	N	0	0	0	0	0	0	0
54.	Puerto Rico	PR	N	0	0	0	0	0	0	0
55.	U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0
56.	Northern Mariana Islands	MP	N	0	0	0	0	0	0	0
57.	Canada	CAN	N	0	0	0	0	0	0	0
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59.	Subtotal	XXX	0	25,672,970	1,395,920,851	0	0	0	1,421,593,821	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61.	Total (Direct Business)	(a) 1	0	25,672,970	1,395,920,851	0	0	0	1,421,593,821	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

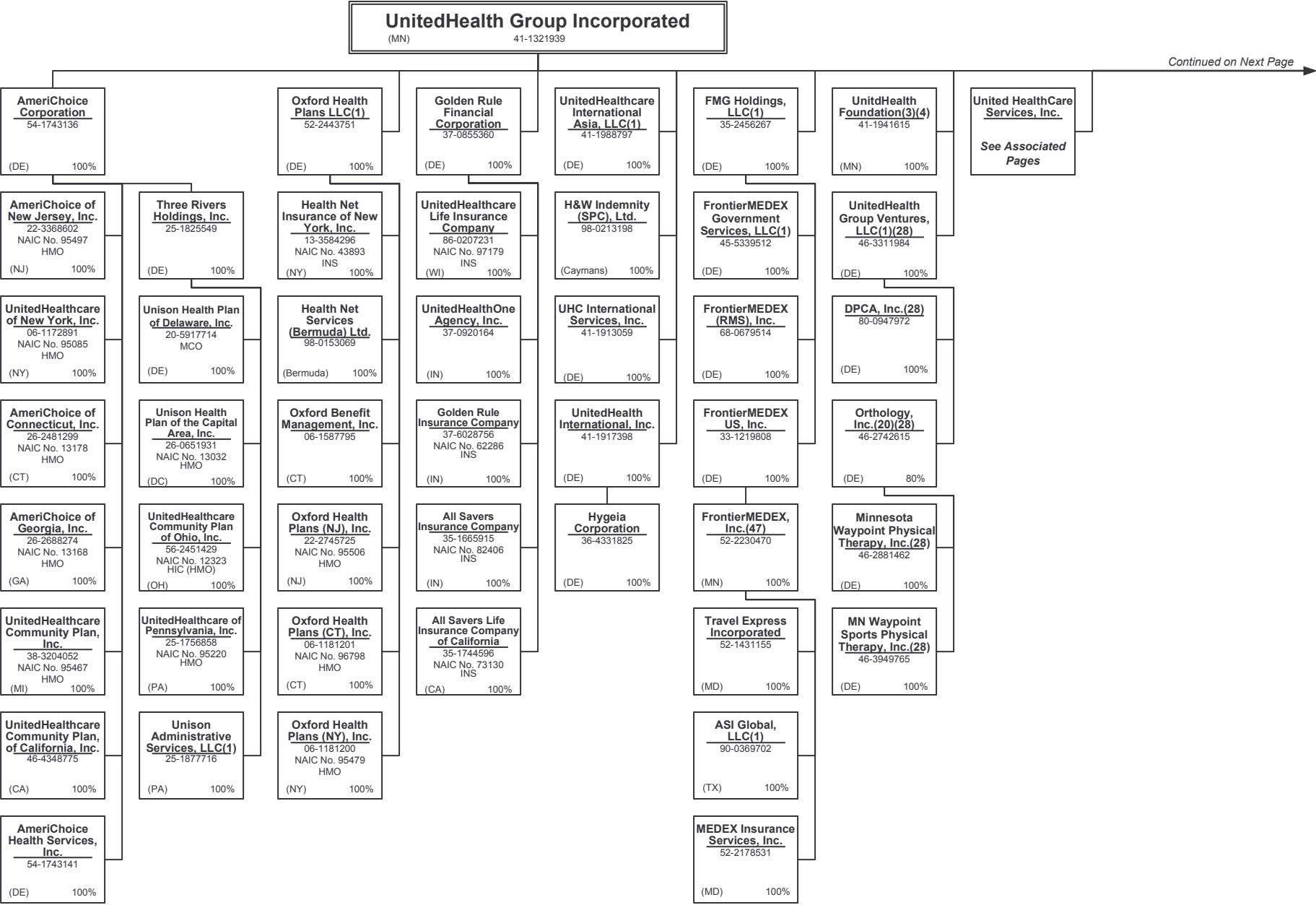
Explanation of basis of allocation by states, premiums by state, etc.

Premiums are allocated by state based upon Geographic Market and by column per state or federal agency premiums.

(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

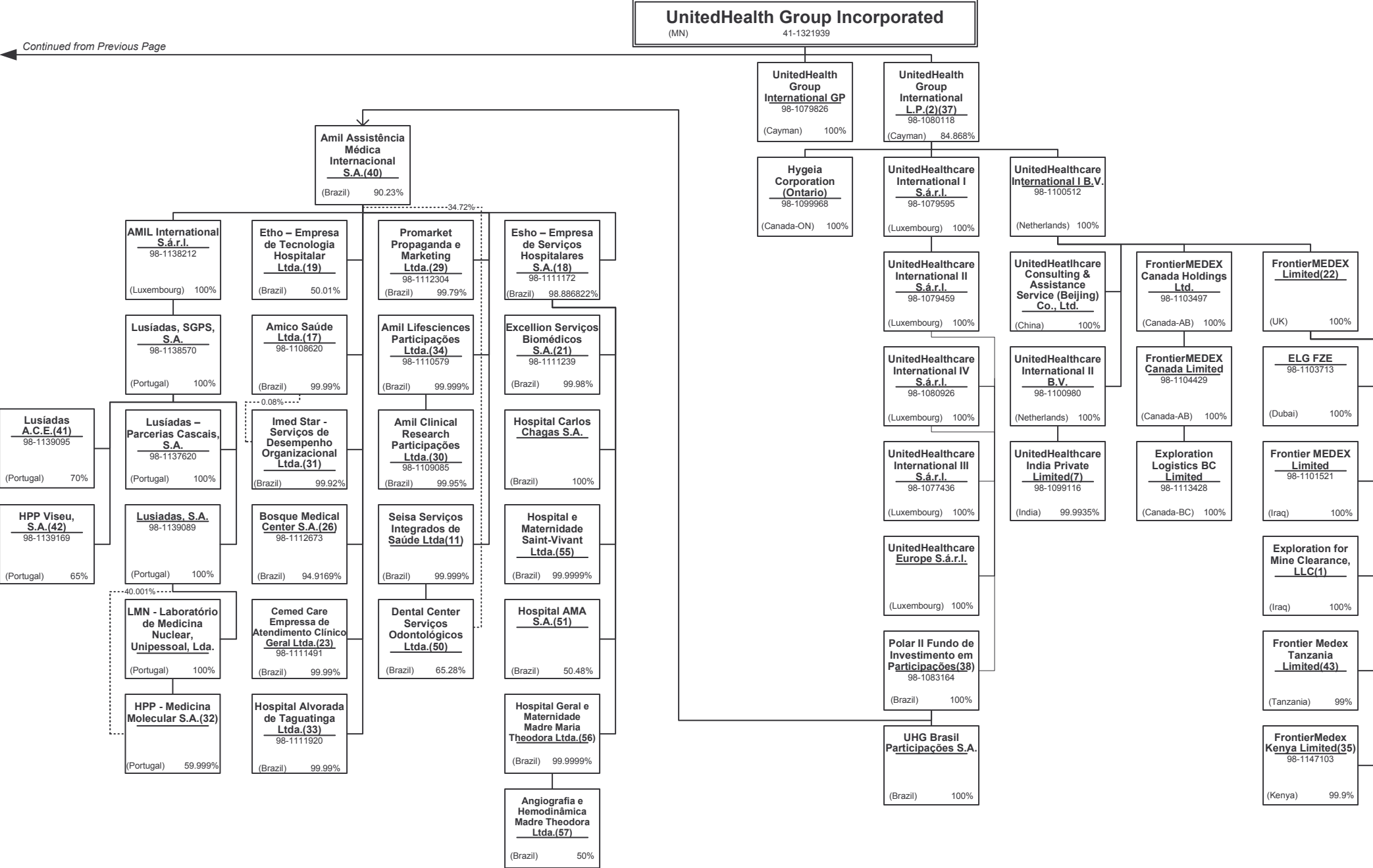


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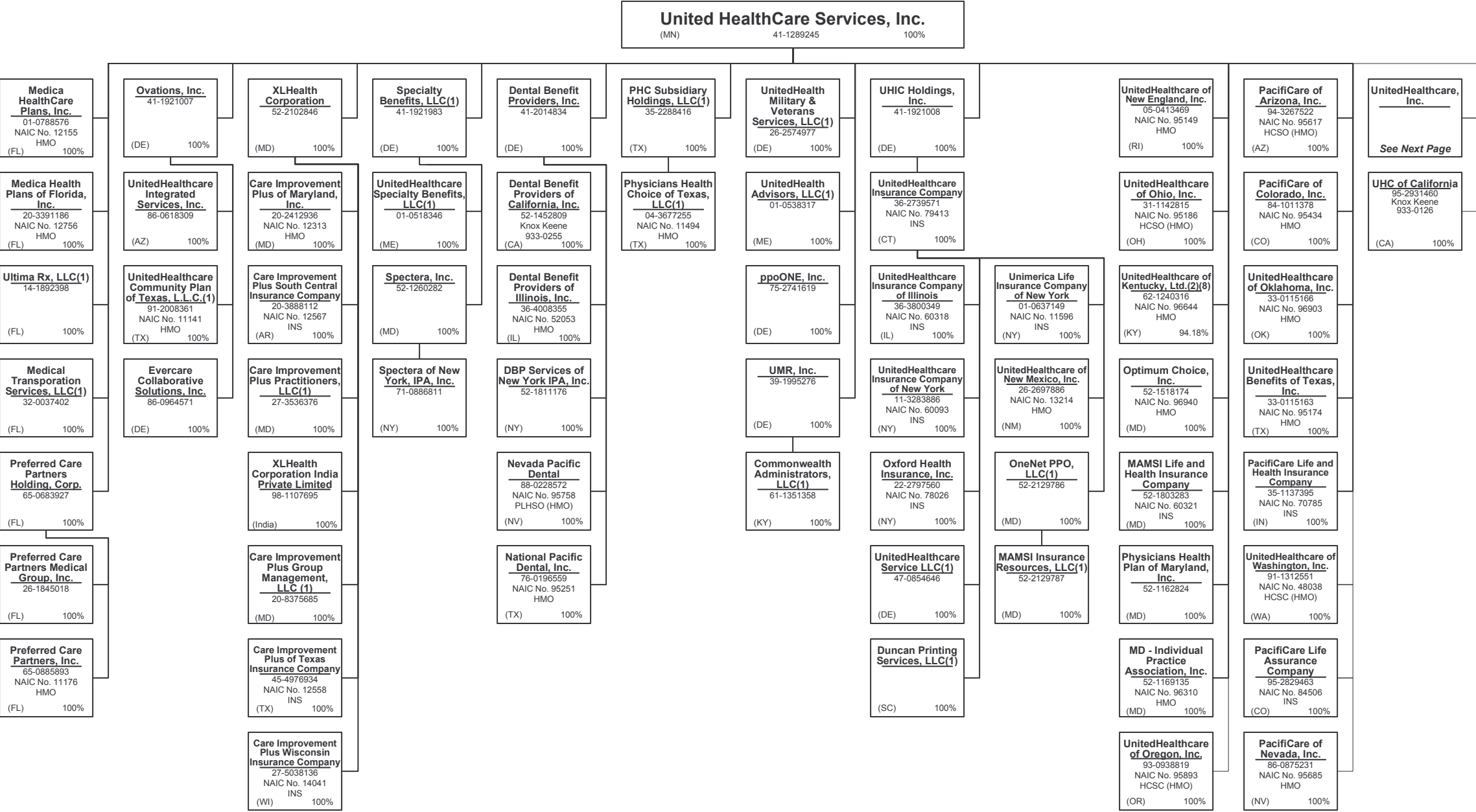


SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

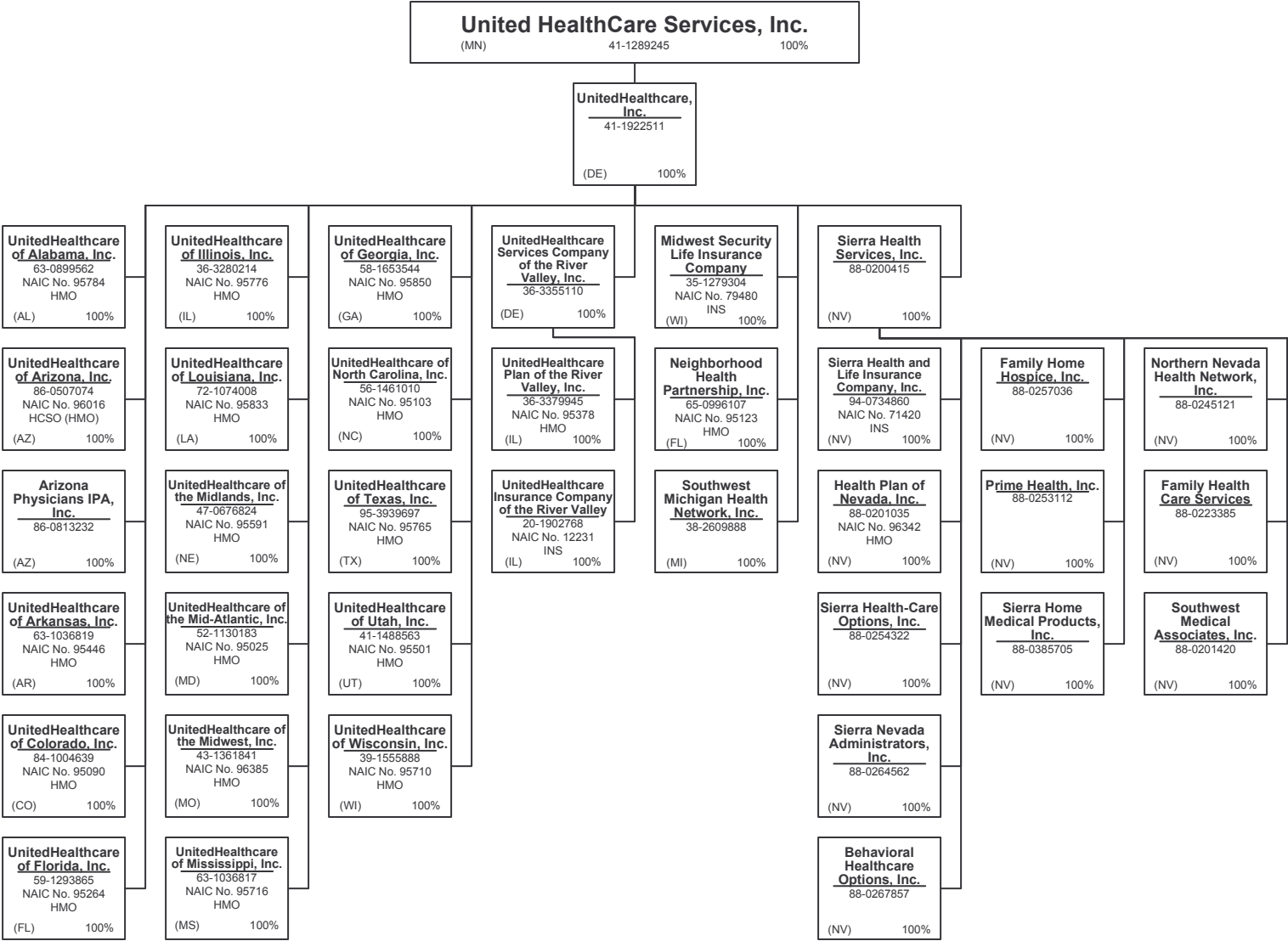


SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

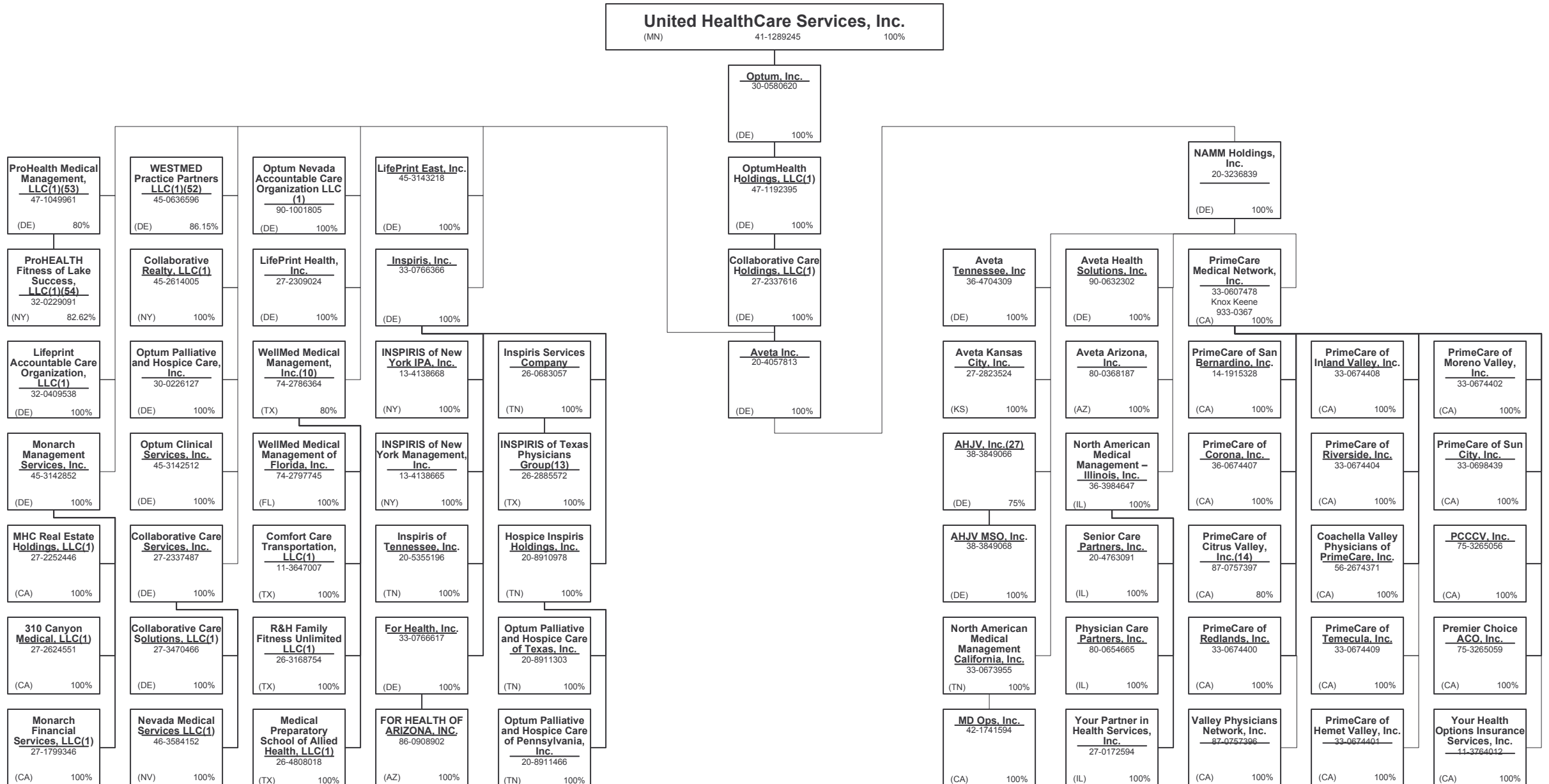


SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

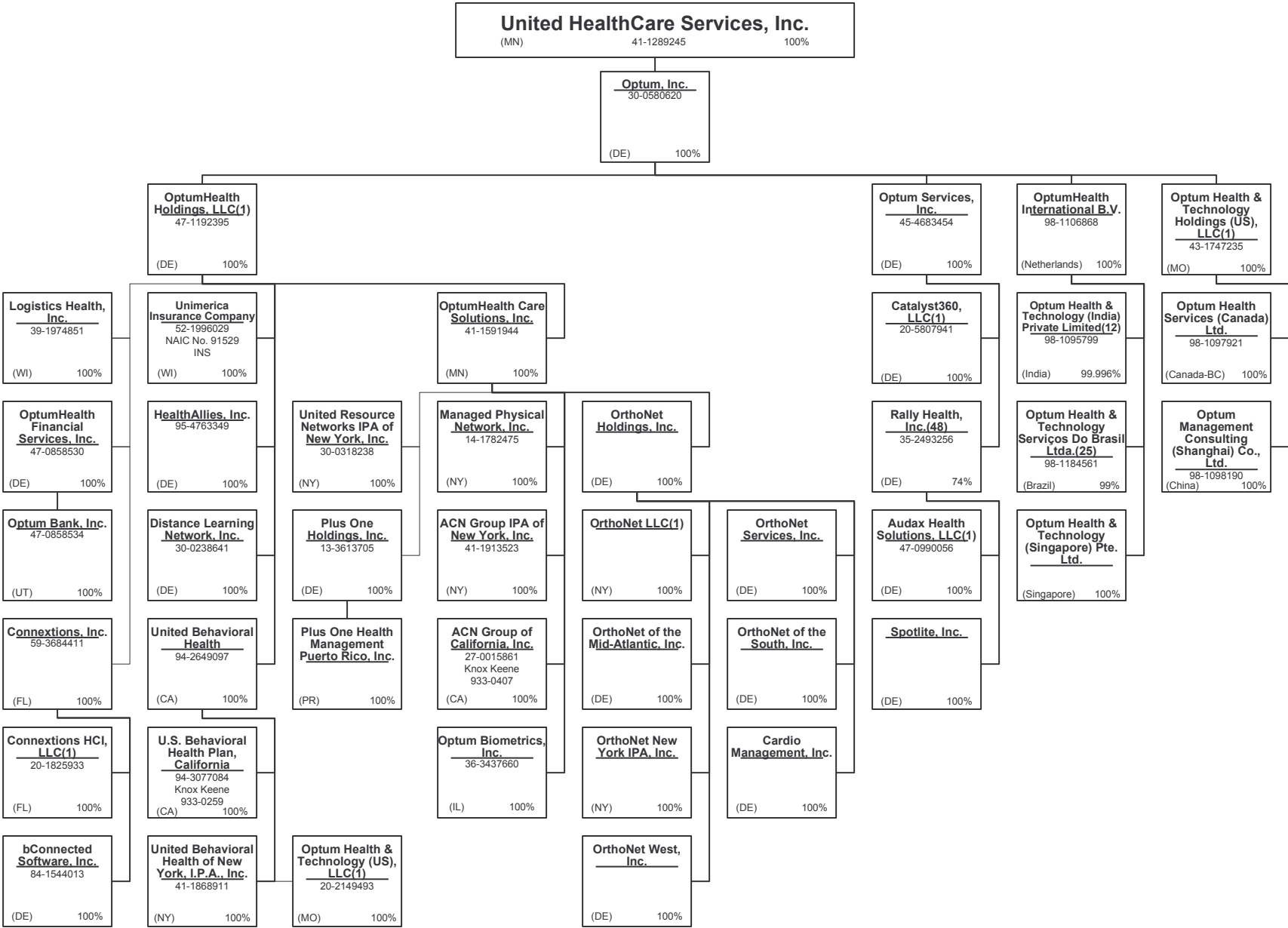


## PART 1 - ORGANIZATIONAL CHART



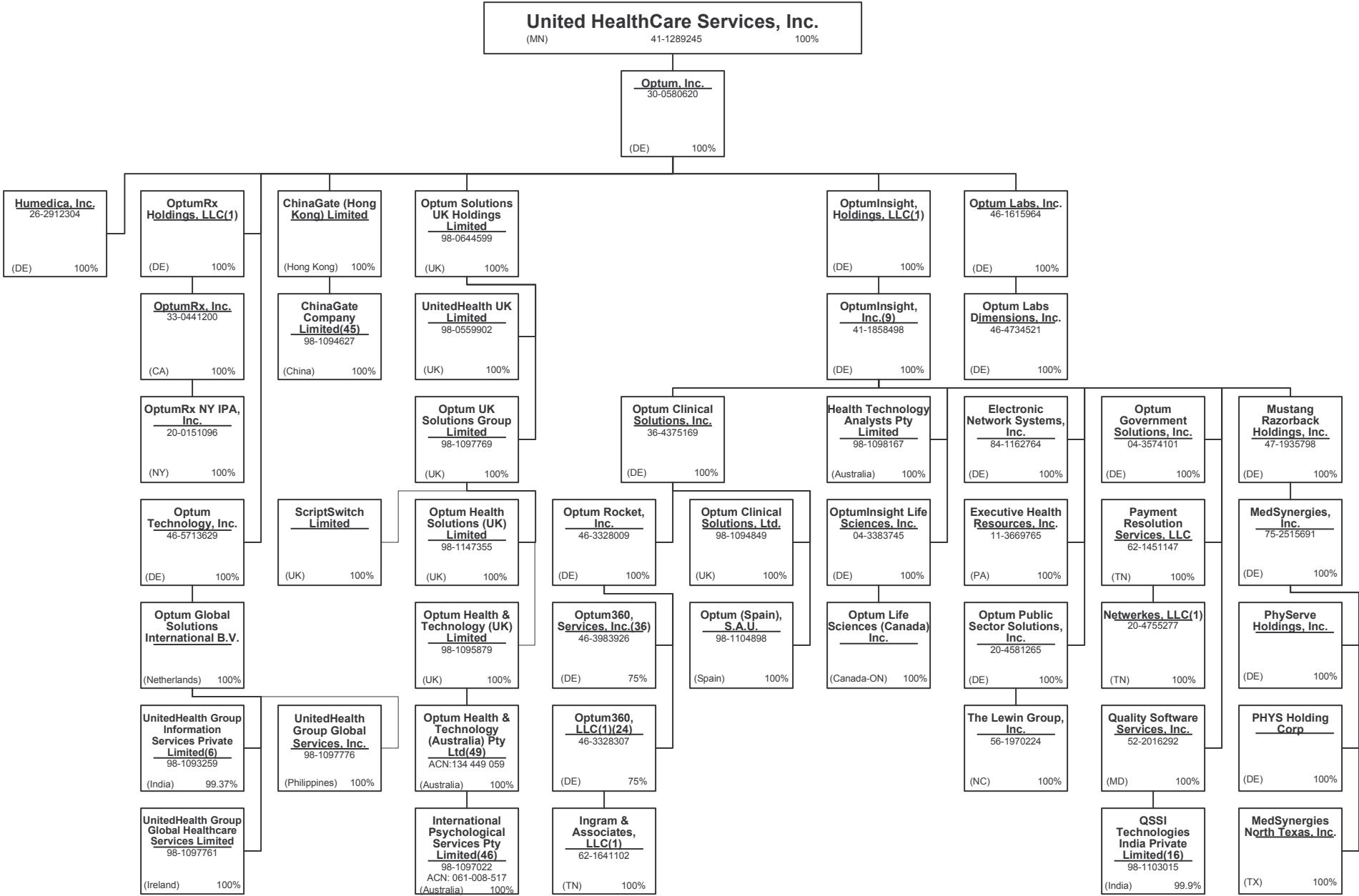
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (1) Entity is a Limited Liability Company
- (2) Entity is a Partnership
- (3) Entity is a Non-Profit Corporation
- (4) Control of the Foundation is based on sole membership, not the ownership of voting securities
- (5) Perdicaris Participações Ltda. Is 99.9999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.0001% owned by ISO Hospital Dia S.A.
- (6) UnitedHealth Group Information Services Private Limited is 99.37% owned by Optum Global Solutions International B.V. The remaining 0.63% is owned by UnitedHealth International, Inc.
- (7) United Healthcare India Private Limited is 99.9935% owned by UnitedHealthcare International II B.V. and 0.0065% owned by UnitedHealth International, Inc.
- (8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combined, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83% of the company.
- (9) Branch office located in Abu Dhabi, UAE.
- (10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.
- (11) Seisa Serviços Integrados de Saúde Ltda is 99.999994% owned by Amil Assistência Médica Internacional S.A. and 0.000006% owned by Dental Center Serviços Odontológicos Ltda.
- (12) Optum Health & Technology (India) Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.
- (13) INSPIRIS of Texas Physicians Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.
- (14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.
- (15) TBD
- (16) QSSI Technologies India Private Limited is 99.9% owned by Quality Software Services, Inc. and 0.1% owned by an Indian citizen.
- (17) Amico Saúde Ltda. is 99.9999996% owned by Amil Assistência Médica Internacional S.A. and 0.0000004% owned by an officer of Amil.
- (18) Esho – Empresa de Serviços Hospitalares S.A. is 98.886822% owned by Amil Assistência Médica Internacional S.A.; 0.042571% owned by Treasury Shares and 1.070607% owned by external shareholders.

- (19) Etho – Empresa de Tecnologia Hospitalar Ltda. 50.01% owned by Amil Assistência Médica Internacional S.A.and 49.99% owned by an external shareholder.
- (20) Orthology, Inc. is 80% owned by UnitedHealth Group Ventures, LLC and 20% owned by external shareholders.(21) Excellion Serviços Biomédicos S.A.is 99.98% owned by Esho – Empresa de Serviços Hospitalares S.A and 0.02% owned by external shareholders.
- (22) Branch offices in Iraq and Uganda.
- (23) Cemed Care Empresa de Atendimento Clínico Geral Ltda. Is 99.999999% owned by Amil Assistência Médica Internacional S.A. and 0.000001% owned by an officer of Amil.
- (24) Optum 360, LLC is 75% owned by Optum Rocket, Inc. and 25% owned by an external interest holder.
- (25) Optum Health & Technology Serviços Do Brasil Ltda. is 99% owned byOptumHealth International B.V. and 1 % owned by OptumInsight, Inc.
- (26) Bosque Medical Center S.A. is 94.917% owned by Amil Assistência Médica Internacional S.A.and 5.083% owned by Esho – Empresa de Serviços Hospitalares S.A.
- (27) AHJV, Inc. is 75% owned by NAMM Holdings, Inc. and 25% owned by Humana, Inc.
- (28) Entity is majority-owned by UHG or one of its affiliates. Corporate secretarial services for this entity are the responsibility of the portfolio company.
- (29) Promarket Propaganda e Marketing Ltda.is 99.79% owned by Amil Assistência Médica Internacional S.A and 0.21% owned by Amico Saúde Ltd.
- (30) Amil Clinical Research Participações Ltda. is 99.95% owned by Amil Lifesciences Participações Ltda. and 0.05% owned by an officer of Amil.
- (31) Imed Star Serviços de Desempenho Organizacional Ltda.is 99.92% owned by Amil Assistência Médica Internacional S.A and 0.08% owned by Amico Saúde Ltd.
- (32) HPP – Medicina Molecular, S.A. is 59.99852% owned by LMN - Laboratórios de Medicina Nuclear, Unipessoal, Lda. And 40.00148% owned by Lusiadas, S.A.
- (33) Hospital Alvorada Taguatinga Ltda. Is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.000001% owned by an officer of Amil.
- (34) Amil Lifesciences Participações Ltda. Is 99.99928% owned by Amil Assistência Médica Internacional S.A and 0.00072% owned by an officer of Amil.
- (35) FrontierMedex Kenya Limited is 99.9% owned by FrontierMEDEX Limited and 0.1% owned by UnitedHealthcare International I B.V.
- (36) Optum360 Services, Inc. is 75% owned by Optum Rocket, Inc. and 25% owned by an external interest holder.
- (37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (14.9292%), Hygeia Corporation (DE) (0.2028%) and UnitedHealth Group Incorporated (84.868%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P.
- (38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.

- (39) TBD
- (40) Amil Assistência Médica Internacional S.A. is 90.23% owned by Polar II Fundo de Investimento em Participações and the remaining 9.77% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.
- (41) Lusiadas A.C.E. is 67% owned by Lusiadas, SGPS, S.A., 10% owned by Lusiadas, S.A., 10% owned by Lusiadas – Parcerias Cascais, S.A., 5% owned by LMN - Laboratórios de Medicina Nuclear, Unipessoal, Lda., 5% owned by HPP – Medicina Molecular, S.A. and 3% owned by HPP Viseu, S.A.
- (42) HPP Viseu, S.A. is 65% owned by Lusiadas, SGPS, S.A. The remaining 35% is jointly owned VISABEIRA Saúde - Serviços de Saúde, S.A.,VISABEIRA Participações Financeiras, SGPS, S.A., VISABEIRA Investimentos Financeiros SGPS, S.A. and Ciclorama - Estudos, Projectos e Produções, Lda.
- (43) Frontier Medex Tanzania Limited is 99% owned by FrontierMEDEX Limited. The remaining 1% is owned by an officer of FrontierMEDEX Limited.
- (44) TBD
- (45) Liaison office located in Beijing.
- (46) Branch office located in Hong Kong.
- (47) Representative office in Beijing
- (48) The remaining 26% is owned by internal and external investors.
- (49) Branch office located in Hong Kong.
- (50) Dental Center Serviços Odontológicos Ltda. is 65.28% owned by Seisa Serviços Integrados de Saúde Ltda. and 34.72% owned by Amil Assistência Médica Internacional S.A.
- (51) Hospital AMA S.A. is 50.48% owned by Esho – Empresa de Serviços Hospitalares S.A. and 49.52% owned by Seisa Serviços Integrados de Saúde Ltda.
- (52) WESTMED Practice Partners LLC is 86.15% owned by Collaborative Care Holdings, LLC and 13.85% owned by external shareholders.
- (53) ProHealth Medical Management, LLC is 80% owned by Collaborative Care Holdings, LLC and 20% owned by an external shareholder.
- (54) PROHEALTH FITNESS OF LAKE SUCCESS, LLC IS 82.62% owned by ProHealth Medical Management, LLC and 17.38% by an external shareholder.
- (55) Hospital e Maternidade Saint-Vivant Ltda. is 99.9999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00001% owned by Cemed Care Empresa de Atendimento Clínico Geral Ltda.
- (56) Hospital Geral e Maternidade Madre Maria Theodora Ltda. is 99.9999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00001% owned by Cemed Care Empresa de Atendimento Clínico Geral Ltda.
- (57) Angiografia e Hemodinâmica Madre Theodora Ltda. Is 50% owned by Hospital Geral e Maternidade Madre Maria Theodora Ltda. And 50% owned by 28 individual partners.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
			General Administrative Expenses	Investment Expenses	Total
2504. Miscellaneous Losses .....	550	415	749	0	1,714
2505. Professional Fees/Consulting .....	136,097	102,760	185,612	0	424,469
2506. Sundry General Expenses .....	1,437,315	1,085,247	1,965,235	0	4,487,797
2597. Summary of remaining write-ins for Line 25 from overflow page	1,573,962	1,188,422	2,151,596	0	4,913,980



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