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**ANNUAL STATEMENT**  
**For the Year Ending DECEMBER 31, 2014**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**Gateway Health Plan of Ohio, Inc.**

NAIC Group Code	0812 (Current Period)	0812 (Prior Period)	NAIC Company Code	12325	Employer's ID Number	30-0282076
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]	Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]	Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]			
Incorporated/Organized	11/05/2004		Commenced Business	09/01/2005		
Statutory Home Office	Four Gateway Center, 444 Liberty Avenue, Ste 2100 (Street and Number)		Pittsburgh, PA, US 15222-1222 (City or Town, State, Country and Zip Code)			
Main Administrative Office	Four Gateway Center, 444 Liberty Avenue, Ste 2100 (Street and Number)		Pittsburgh, PA, US 15222-1222 (Area Code) (Telephone Number)			
Primary Location of Books and Records	Columbus, OH, US 43215-6101 (City or Town, State, Country and Zip Code)		Pittsburgh, PA, US 15222-1222 (Area Code) (Telephone Number)			
Internet Website Address	www.gatewayhealthplan.com		(614)469-3268 (Area Code) (Telephone Number)			
Statutory Statement Contact	John Charles Engel jengel@gatewayhealthplan.com (E-Mail Address)		(412)255-4678 (Area Code)(Telephone Number)(Extension) (412)255-4670 (Fax Number)			

**OFFICERS**

Name	Title
Patricia Joan Darnley	President and CEO #
Karen Arcidiacono Barringer	Secretary
Cecil Eric Huss	Treasurer
Philomena Marie Demeter	Assistant Secretary #
Alicia Jacqueline Hawkins	Assistant Secretary #

Cecil Eric Huss  
 Marcia Ann Martin  
 Michael Anthony Madden MD  
 Marie Joann Glancy #  
 Kara Marie House #

Margaret Rose Worek  
 Karen Arcidiacono Barringer  
 Augustine Odiaka Ifedirah DDS  
 Mark Allan Lantzy #

**OTHERS**

Nanette Paden DeTurk  
 Michael George Warfel  
 Deborah Lynn Rice-Johnson (formerly Rice)

Mark Thomas Bullock  
 Joseph Hugh Bradley

**DIRECTORS OR TRUSTEES**

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

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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.

(Signature)  
 Patricia Joan Darnley  
 (Printed Name)  
 1.  
 President and CEO  
 (Title)

(Signature)  
 Karen Arcidiacono Barringer  
 (Printed Name)  
 2.  
 Secretary  
 (Title)

(Signature)  
 Mark Allan Lantzy  
 (Printed Name)  
 3.  
 Assistant Treasurer  
 (Title)

Subscribed and sworn to before me this  
 \_\_\_\_\_ day of \_\_\_\_\_, 2015

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

Yes[X] No[ ]

\_\_\_\_\_

(Notary Public Signature)

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	1,217,243		1,217,243	452,034
2. Stocks (Schedule D)				
2.1 Preferred stocks .....				
2.2 Common Stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....548,718, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....5,098,984, Schedule DA) .....	5,647,702		5,647,702	7,829,840
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	6,864,945		6,864,945	8,281,874
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	25,371		25,371	9,103
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	64,790	8,434	56,356	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....	68,718		68,718	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....	1,897		1,897	
17. Amounts receivable relating to uninsured plans .....	318,395		318,395	
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	1,569,388		1,569,388	
24. Health care (\$.....125,688) and other amounts receivable .....	137,498	11,809	125,688	
25. Aggregate write-ins for other than invested assets .....	214,169	214,169		
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	9,265,170	234,412	9,030,758	8,290,977
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	9,265,170	234,412	9,030,758	8,290,977
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepaid Assets .....	213,730	213,730		
2502. Employee Advances .....	50	50		
2503. Miscellaneous A/R OHOH .....	388	388		
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	214,169	214,169		

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	1,679,883		1,679,883	.....
2. Accrued medical incentive pool and bonus amounts .....				.....
3. Unpaid claims adjustment expenses .....	59,327		59,327	.....
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	1,510,379		1,510,379	.....
5. Aggregate life policy reserves .....				.....
6. Property/casualty unearned premium reserves .....				.....
7. Aggregate health claim reserves .....				.....
8. Premiums received in advance .....	130		130	.....
9. General expenses due or accrued .....	95,706		95,706	39,456
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				.....
10.2 Net deferred tax liability .....				.....
11. Ceded reinsurance premiums payable .....				.....
12. Amounts withheld or retained for the account of others .....	37,723		37,723	.....
13. Remittances and items not allocated .....				.....
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				.....
15. Amounts due to parent, subsidiaries and affiliates .....	1,422,506		1,422,506	5,724,041
16. Derivatives .....				.....
17. Payable for securities .....				.....
18. Payable for securities lending .....				.....
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				.....
20. Reinsurance in unauthorized and certified (\$.....0) companies .....				.....
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				.....
22. Liability for amounts held under uninsured plans .....				.....
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				.....
24. TOTAL Liabilities (Lines 1 to 23) .....	4,805,654		4,805,654	5,763,497
25. Aggregate write-ins for special surplus funds .....	XXX	XXX		.....
26. Common capital stock .....	XXX	XXX		.....
27. Preferred capital stock .....	XXX	XXX		.....
28. Gross paid in and contributed surplus .....	XXX	XXX	19,786,235	11,286,235
29. Surplus notes .....	XXX	XXX		.....
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		.....
31. Unassigned funds (surplus) .....	XXX	XXX	(15,561,131)	(8,758,755)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	XXX	XXX		.....
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	XXX	XXX		.....
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	4,225,104	2,527,480
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	XXX	XXX	9,030,758	8,290,977
<b>DETAILS OF WRITE-INS</b>				
2301. ....				.....
2302. ....				.....
2303. ....				.....
2398. Summary of remaining write-ins for Line 23 from overflow page .....				.....
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				.....
2501. ....	XXX	XXX		.....
2502. ....	XXX	XXX		.....
2503. ....	XXX	XXX		.....
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		.....
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX		.....
3001. ....	XXX	XXX		.....
3002. ....	XXX	XXX		.....
3003. ....	XXX	XXX		.....
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		.....
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX		.....

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	XXX	7,660	
1. Member Months .....			
2. Net premium income (including \$.....0 non-health premium income) .....		7,523,245	
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses) .....	XXX		
5. Risk revenue .....	XXX		
6. Aggregate write-ins for other health care related revenues .....	XXX		
7. Aggregate write-ins for other non-health revenues .....	XXX		
8. TOTAL Revenues (Lines 2 to 7) .....	XXX	7,523,245	
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		4,620,278	
10. Other professional services .....		710,466	
11. Outside referrals .....			
12. Emergency room and out-of-area .....		248,992	
13. Prescription drugs .....		836,829	168
14. Aggregate write-ins for other hospital and medical .....		196,954	
15. Incentive pool, withhold adjustments and bonus amounts .....			
16. Subtotal (Lines 9 to 15) .....		6,613,519	168
<b>Less:</b>			
17. Net reinsurance recoveries .....			
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		6,613,519	168
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....429,977 cost containment expenses .....		3,060,333	
21. General administrative expenses .....		2,936,792	7,110,749
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....		1,494,665	
23. TOTAL Underwriting Deductions (Lines 18 through 22) .....		14,105,308	7,110,917
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(6,582,063)	(7,110,917)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		14,099	988
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....			
27. Net investment gains (losses) (Lines 25 plus 26) .....		14,099	988
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29. Aggregate write-ins for other income or expenses .....			
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	(6,567,964)	(7,109,929)
31. Federal and foreign income taxes incurred .....	XXX		
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(6,567,964)	(7,109,929)
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX		
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	XXX		
1401. DME .....		172,075	
1402. Transportation Costs .....		24,878	
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		196,954	
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	2,527,480	2,387,409
34. Net income or (loss) from Line 32 .....	(6,567,964)	(7,109,929)
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	(234,412)	
40. Change in unauthorized and certified reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....		
43. Cumulative effect of changes in accounting principles .....		
44. Capital Changes:		
44.1 Paid in .....		(1,500)
44.2 Transferred from surplus (Stock Dividend) .....		
44.3 Transferred to surplus .....		
45. Surplus adjustments:		
45.1 Paid in .....	8,500,000	7,251,500
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....		
48. Net change in capital and surplus (Lines 34 to 47) .....	1,697,624	140,071
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	4,225,104	2,527,480
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....		

**CASH FLOW**

		1 Current Year	2 Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	8,898,349	.....
2.	Net investment income .....	2,489	5,018
3.	Miscellaneous income .....		
4.	TOTAL (Lines 1 through 3) .....	8,900,838	5,018
5.	Benefit and loss related payments .....	6,565,799	168
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	6,198,931	7,086,288
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....		
10.	TOTAL (Lines 5 through 9) .....	12,764,730	7,086,456
11.	Net cash from operations (Line 4 minus Line 10) .....	(3,863,892)	(7,081,438)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....		
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	770,878	.....
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	770,878	.....
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(770,878)	.....
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....	8,500,000	7,250,000
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	(6,047,368)	5,724,091
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	2,452,632	12,974,091
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(2,182,138)	5,892,653
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	7,829,840	1,937,187
19.2	End of year (Line 18 plus Line 19.1) .....	5,647,702	7,829,840

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....		
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**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income .....	7,523,245						7,523,245			
2. Change in unearned premium reserves and reserve for rate credit .....										
3. Fee-for-service (net of \$.....0 medical expenses) .....									XXX	
4. Risk revenue .....									XXX	
5. Aggregate write-ins for other health care related revenues .....									XXX	
6. Aggregate write-ins for other non-health care related revenues .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6) .....	7,523,245						7,523,245			
8. Hospital/medical benefits .....	4,620,278						4,620,278			XXX
9. Other professional services .....	710,466						710,466			XXX
10. Outside referrals .....									XXX	
11. Emergency room and out-of-area .....	248,992						248,992			XXX
12. Prescription drugs .....	836,829						836,829			XXX
13. Aggregate write-ins for other hospital and medical .....	196,954						196,954			XXX
14. Incentive pool, withhold adjustments and bonus amounts .....									XXX	
15. Subtotal (Lines 8 to 14) .....	6,613,519						6,613,519			XXX
16. Net reinsurance recoveries .....									XXX	
17. TOTAL Hospital and Medical (Lines 15 minus 16) .....	6,613,519						6,613,519			XXX
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....429,977 cost containment expenses .....		3,060,333					3,060,333			
20. General administrative expenses .....	2,936,792						2,936,792			
21. Increase in reserves for accident and health contracts .....	1,494,665						1,494,665			XXX
22. Increase in reserves for life contracts .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. TOTAL Underwriting Deductions (Lines 17 to 22) .....	14,105,308						14,105,308			
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	(6,582,063)						(6,582,063)			
<b>DETAILS OF WRITE-INS</b>										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....										XXX
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										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 .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. DME .....	172,075						172,075			XXX
1302. Transportation costs .....	24,878						24,878			XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....										XXX
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	196,954						196,954			XXX

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	7,540,052	.....	16,807	7,523,245
7. Title XIX - Medicaid .....	.....	.....	.....	.....
8. Other health .....	.....	.....	.....	.....
9. Health subtotal (Lines 1 through 8) .....	7,540,052	.....	16,807	7,523,245
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11) .....	7,540,052	.....	16,807	7,523,245

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	5,071,134						5,071,134			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	5,071,134						5,071,134			
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	1,679,883						1,679,883			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	1,679,883						1,679,883			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	137,498						137,498			
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct										
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net										
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	6,613,519						6,613,519			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	6,613,519						6,613,519			
13. Incurred medical incentive pools and bonuses										

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	265,278						265,278			
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	265,278						265,278			
2. Incurred but Unreported:										
2.1 Direct .....	1,414,605						1,414,605			
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	1,414,605						1,414,605			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	1,679,883						1,679,883			
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	1,679,883						1,679,883			

## 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 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	5,071,134	.....	1,679,883	.....	.....
7. Title XIX - Medicaid .....	.....	.....	.....	.....	.....	.....
8. Other health .....	.....	.....	.....	.....	.....	.....
9. Health subtotal (Lines 1 to 8) .....	.....	5,071,134	.....	1,679,883	.....	.....
10. Healthcare receivables (a) .....	.....	62,300	.....	75,198	.....	.....
11. Other non-health .....	.....	.....	.....	.....	.....	.....
12. Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13. TOTALS (Lines 9 - 10 + 11 + 12) .....	.....	5,008,834	.....	1,604,685	.....	.....

(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)**  
**Grand Total**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	42	39	39	39	39
2. 2010 .....					
3. 2011 .....	XXX				
4. 2012 .....	XXX	XXX			
5. 2013 .....	XXX	XXX	XXX		
6. 2014 .....	XXX	XXX	XXX	XXX	4,934

**Section B - Incurred Health Claims**

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 .....	54	39	39	39	39
2. 2010 .....					
3. 2011 .....	XXX				
4. 2012 .....	XXX	XXX			
5. 2013 .....	XXX	XXX	XXX		
6. 2014 .....	XXX	XXX	XXX	XXX	6,614

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2010 .....										
2. 2011 .....										
3. 2012 .....										
4. 2013 .....										
5. 2014 .....	7,523	4,934	3,001	60.827	7,935	105.468	1,680	59	9,674	128.586

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . . NONE

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**  
**Title XVIII - Medicare**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	42	39	39	39	39
2. 2010 .....					
3. 2011 .....	XXX				
4. 2012 .....	XXX	XXX			
5. 2013 .....	XXX	XXX	XXX		
6. 2014 .....	XXX	XXX	XXX	XXX	4,934

**Section B - Incurred Health Claims**

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 .....	54	39	39	39	39
2. 2010 .....					
3. 2011 .....	XXX				
4. 2012 .....	XXX	XXX			
5. 2013 .....	XXX	XXX	XXX		
6. 2014 .....	XXX	XXX	XXX	XXX	6,614

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2010 .....										
2. 2011 .....										
3. 2012 .....										
4. 2013 .....										
5. 2014 .....	7,523	4,934	3,001	60.827	7,935	105.468	1,680	59	9,674	128.586

**12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid . . . . . NONE**

**12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid . . . . . NONE**

**12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid . . . . . NONE**

**12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other . . . . . NONE**

**12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other . . . . . NONE**

**12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other . . . . . NONE**

# UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....	1,494,665						1,494,665		
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income) .....	15,714						15,714		
5. Aggregate write-ins for other policy reserves .....									
6. TOTALS (Gross) .....	1,510,379						1,510,379		
7. Reinsurance ceded .....									
8. TOTALS (Net) (Page 3, Line 4) .....	1,510,379						1,510,379		
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. TOTALS (Gross) .....									
13. Reinsurance ceded .....									
14. TOTALS (Net) (Page 3, Line 7) .....									
<b>DETAILS OF WRITE-INS</b>									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....									

(a) Includes \$.....1,494,665 premium deficiency reserve.

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building) .....	7,547	46,170	(53,717)	.....	0
2. Salaries, wages and other benefits .....	157,559	963,859	706,159	.....	1,827,577
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....	.....	.....	.....	.....	.....
4. Legal fees and expenses .....	2,266	13,864	(14,695)	.....	1,436
5. Certifications and accreditation fees .....	162	993	(1,155)	.....	.....
6. Auditing, actuarial and other consulting services .....	27,811	170,130	(96,016)	.....	101,924
7. Traveling expenses .....	1,728	10,572	133,276	.....	145,576
8. Marketing and advertising .....	282	1,722	1,766,647	.....	1,768,651
9. Postage, express and telephone .....	7,558	46,234	309,006	.....	362,797
10. Printing and office supplies .....	4,990	30,528	447,114	.....	482,632
11. Occupancy, depreciation and amortization .....	7,652	46,813	(54,466)	.....	0
12. Equipment .....	11,781	72,072	(83,854)	.....	0
13. Cost or depreciation of EDP equipment and software .....	4,556	27,869	(32,425)	.....	0
14. Outsourced services including EDP, claims, and other services .....	182,671	1,117,477	(187,173)	.....	1,112,974
15. Boards, bureaus and association fees .....	1,641	10,036	6,305	.....	17,981
16. Insurance, except on real estate .....	1,646	10,067	(11,713)	.....	.....
17. Collection and bank service charges .....	.....	.....	.....	15,297	15,297
18. Group service and administration fees .....	.....	.....	2,143	.....	2,143
19. Reimbursements by uninsured plans .....	.....	.....	.....	.....	.....
20. Reimbursements from fiscal intermediaries .....	.....	.....	.....	.....	.....
21. Real estate expenses .....	.....	.....	.....	.....	.....
22. Real estate taxes .....	.....	.....	.....	.....	.....
23. Taxes, licenses and fees:	.....	.....	.....	.....	.....
23.1 State and local insurance taxes .....	.....	.....	.....	.....	.....
23.2 State premium taxes .....	.....	.....	.....	.....	.....
23.3 Regulatory authority licenses and fees .....	.....	.....	.....	.....	.....
23.4 Payroll taxes .....	10,127	61,949	101,357	.....	173,433
23.5 Other (excluding federal income and real estate taxes) .....	.....	.....	.....	.....	.....
24. Investment expenses not included elsewhere .....	.....	.....	.....	7,337	7,337
25. Aggregate write-ins for expenses .....	.....	.....	.....	.....	.....
26. TOTAL Expenses Incurred (Lines 1 to 25) .....	429,977	2,630,356	2,936,792	22,634	(a) 6,019,759
27. Less expenses unpaid December 31, current year .....	.....	59,327	93,551	2,155	155,033
28. Add expenses unpaid December 31, prior year .....	.....	.....	36,290	3,167	39,457
29. Amounts receivable relating to uninsured plans, prior year .....	.....	.....	.....	.....	.....
30. Amounts receivable relating to uninsured plans, current year .....	.....	.....	.....	.....	.....
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	429,977	2,571,029	2,879,531	23,646	5,904,183

**DETAILS OF WRITE-INS**

2501. ....	.....	.....	.....	.....	.....
2502. ....	.....	.....	.....	.....	.....
2503. ....	.....	.....	.....	.....	.....
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.....	.....	.....	.....	.....
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	.....	.....	.....	.....	.....

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

**EXHIBIT OF NET INVESTMENT INCOME**

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) .....	18,209	34,401
1.1 Bonds exempt from U.S. tax .....	(a) .....	.....	.....
1.2 Other bonds (unaffiliated) .....	(a) .....	.....	.....
1.3 Bonds of affiliates .....	(a) .....	.....	.....
2.1 Preferred stocks (unaffiliated) .....	(b) .....	.....	.....
2.11 Preferred stocks of affiliates .....	(b) .....	.....	.....
2.2 Common stocks (unaffiliated) .....	.....	.....	.....
2.21 Common stocks of affiliates .....	.....	.....	.....
3. Mortgage loans .....	(c) .....	.....	.....
4. Real estate .....	(d) .....	.....	.....
5. Contract loans .....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	(e) .....	2,218	2,332
7. Derivative instruments .....	(f) .....	.....	.....
8. Other invested assets .....	.....	.....	.....
9. Aggregate write-ins for investment income .....	.....	.....	.....
10. <b>TOTAL</b> Gross investment income .....	20,427	.....	36,733
11. Investment expenses .....	(g) .....	.....	22,634
12. Investment taxes, licenses and fees, excluding federal income taxes .....	(g) .....	.....	.....
13. Interest expense .....	(h) .....	.....	.....
14. Depreciation on real estate and other invested assets .....	(i) .....	.....	.....
15. Aggregate write-ins for deductions from investment income .....	.....	.....	.....
16. <b>TOTAL</b> Deductions (Lines 11 through 15) .....	.....	.....	22,634
17. Net Investment income (Line 10 minus Line 16) .....	.....	.....	14,099
<b>DETAILS OF WRITE-INS</b>			
0901. .....	.....	.....	.....
0902. .....	.....	.....	.....
0903. .....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....
0999. <b>TOTALS</b> (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....	.....
1501. .....	.....	.....	.....
1502. .....	.....	.....	.....
1503. .....	.....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....	.....
1599. <b>TOTALS</b> (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....	.....

(a) Includes \$.....0 accrual of discount less \$.....5,669 amortization of premium and less \$.....0 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 \$.....0 accrual of discount less \$.....0 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 \$.....0 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 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1 Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2 Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3 Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1 Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11 Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2 Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21 Common stocks of affiliates .....	.....	.....	.....	.....	.....
3. Mortgage loans .....	.....	.....	.....	.....	.....
4. Real estate .....	.....	.....	.....	.....	.....
5. Contract loans .....	.....	.....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7. Derivative instruments .....	.....	.....	.....	.....	.....
8. Other invested assets .....	.....	.....	.....	.....	.....
9. Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10. <b>TOTAL</b> Capital gains (losses) .....	.....	.....	.....	.....	.....

**N O N E**

0901. .....	.....	.....	.....	.....	.....
0902. .....	.....	.....	.....	.....	.....
0903. .....	.....	.....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999. <b>TOTALS</b> (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....	.....	.....	.....

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Invested income due and accrued .....			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	8,434		(8,434)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....	11,809		(11,809)
25. Aggregate write-ins for other than invested assets .....	214,169		(214,169)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	234,412		(234,412)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	234,412		(234,412)
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501. Prepaid Assets .....	213,730		(213,730)
2502. Employee Advances .....	50		(50)
2503. Miscellaneous A/R OHOH .....	388		(388)
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	214,169		(214,169)

**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 .....		369	517	853	1,068	7,660
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....						
7. <b>TOTAL</b> .....	<b>369</b>	<b>517</b>	<b>853</b>	<b>1,068</b>	<b>7,660</b>	
<b>DETAILS OF WRITE-INS</b>						
0601. .....						
0602. .....						
0603. .....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. <b>TOTALS</b> (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

# Notes to Financial Statements

## 1. Summary of Significant Accounting Policies

A. The accompanying financial statements of Gateway Health Plan of Ohio, Inc. (“GHPOI”) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (“the Department”). The Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under Ohio insurance law and regulations. The National Association of Insurance Commissioners' (“NAIC”) Accounting Practices and Procedures Manual, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

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

		State of Domicile	2014	2013
NET INCOME				
(1) State basis (Page 4, Line 32, Columns 2 & 3)	OH	(\$6,567,964)	(\$7,109,929)	
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:				
(201)				
(299) Total				
(3) State Permitted Practices that increase/(decrease) NAIC SAP:				
(301)				
(399) Total				
(4) NAIC SAP (1-2-3=4)		(\$6,567,964)	(\$7,109,929)	
SURPLUS				
(5) State basis (Page 3, Line 33, Columns 3 & 4)	OH	\$4,225,104	\$2,527,480	
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:				
(601)				
(699) Total				
(7) State Permitted Practices that increase/(decrease) NAIC SAP:				
(701)				
(799) Total				
(8) NAIC SAP (5-6-7=8)		\$4,225,104	\$2,527,480	

B. The preparation of the financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting policies that materially affect assets, liabilities, capital and surplus or results of operations include:

GHPOI provides Medicare managed care services under a contract with Centers for Medicare and Medicaid Services (“CMS”). GHPOI recognizes premiums per capita fixed payments made by CMS on behalf of enrolled program beneficiaries and recognizes premiums received for members as revenue in the period for which healthcare coverage relates. GHPOI had incurred start up costs in 2013 in anticipation of Medicare membership in 2014. These start up costs were related to a new contract with CMS, effective January, 1, 2014, at which time GHPOI resumed Medicare managed care operations.

## **Notes to Financial Statements**

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, GHPOI uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the scientific interest method.
- (3) GHPOI does not hold common stocks.
- (4) GHPOI does not hold preferred stocks.
- (5) GHPOI does not hold any mortgage loans on real estate.
- (6) GHPOI does not hold any loan-backed securities.
- (7) GHPOI does not hold any investments in subsidiaries, controlled or affiliated investments.
- (8) GHPOI does not hold any investments in joint ventures, partnerships and limited liability companies.
- (9) GHPOI does not hold any derivatives instruments.
- (10) Investment Income is not considered a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
- (11) Medical and hospital costs are accrued based on claims received but unpaid and an estimate for claims incurred but not yet received (IBNR). These estimates are projected through an actuarial model, which calculates the outstanding liability based on the payment trends and membership. Milliman USA serves as GHPOI's external actuarial firm and completes quarterly and annual certifications of claims liability in conformity with the various Ohio state departments. Claims adjustment expenses are paid by GHPOI's parent, Gateway Health Plan, LP ("GHP, LP") as part of the services fee but are shown separately on the Annual Statement for consistency and presentation of all claim related items.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company's pharmaceutical rebate receivables are estimated based on historical rebates received per member per month (PMPM) and current volume. The majority of rebates are billed or confirmed within 90 days at the end of each quarter. The rebates are then paid in the accordance with contract terms with each manufacturer.

### **2. Accounting Changes and Corrections of Errors**

Not Applicable

### **3. Business Combinations and Goodwill**

Not Applicable

### **4. Discontinued Operations**

Not Applicable

### **5. Investments**

- A. Mortgage Loans – Not Applicable.
- B. Debt Restructuring – Not Applicable.
- C. Reverse Mortgages – Not Applicable.
- D. Loan-Backed Securities – Not Applicable.
- E. Repurchase Agreements

(1) Policy for requiring collateral or other security – Not Applicable

(2) Carrying amount and classification of both those assets and associated liabilities – Not Applicable

(3) Collateral accepted that it is permitted by contract or custom to sell or repledge:

- a. Aggregate amount of contractually obligated open collateral positions – Not Applicable

## **Notes to Financial Statements**

b. Fair value of that collateral and of the portion of that collateral that it has sold or repledged – Not Applicable

c. Information about the sources and uses of that collateral – Not Applicable

(4) Aggregate value of the reinvested collateral which is “one-line” reported and the aggregate reinvested collateral which is reported in the investment schedules – None

(5) Reinvestment of the cash collateral and any securities which it or its agent receives as collateral that can be sold or repledged – Not Applicable

(6) Collateral accepted that it is not permitted by contract or custom to sell or repledge – Not Applicable

(7) Collateral for transactions that extend beyond one year from the reporting date – Not Applicable

F. Real Estate – Not Applicable.

G. Low Income Housing Tax Credits – Not Applicable.

H. Restricted Assets

(1) Restricted Assets (Including Pledged): GHPOI has \$1,217,243 in Restricted Assets.

Restricted Asset Category	1	2	3	4	5	6
Gross Deferred Tax Assets	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase /(Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown						
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under options contracts						
h. Letter stock or securities restricted as to sale						
i. FHLB Capital Stock						
j. On deposit with states	\$1,217,243	\$452,034	\$765,209	\$1,217,243	13.138%	13.479%
k. On deposit with other regulatory bodies						
l. Pledges collateral to FHLB						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						
o. Total Restricted Assets	\$1,217,243	\$452,034	\$765,209	\$1,217,243	13.138%	13.479%

I. Working Capital Finance Investment – Not Applicable

J. Offsetting and Netting of Assets and Liabilities – Not Applicable

K. Structured Notes – Not Applicable

### **6. Joint Ventures, Partnerships and Limited Liability Companies**

A. GHPOI has no investments in joint ventures, partnerships, or limited liability companies.

B. Not Applicable.

# Notes to Financial Statements

## 7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due are excluded.

B. No investment income was excluded from the financial statements.

## 8. Derivative Instruments

Not applicable

## 9. Income Taxes

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

1.

	Description	12/31/2014			12/31/2013			Change		
		1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 – 4) Ordinary	8 (Col. 2 – 5) Capital	9 (Col. 7 + 8) Total
a.	Gross Deferred Tax Assets	5,287,763		5,287,763	2,976,976		2,976,976	2,310,787		2,310,787
b.	Statutory Valuation Allowance Adjustments	5,287,763		5,287,763	2,976,976		2,976,976	2,310,787		2,310,787
c.	Adjusted Gross Deferred Tax Assets (1a – 1b)	0	0	0	0	0	0	0	0	0
d.	Deferred Tax Assets Non-admitted	0	0	0	0	0	0	0	0	0
e.	Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	0	0	0	0	0	0	0	0	0
f.	Deferred Tax Liabilities	0	0	0	0	0	0	0	0	0
g.	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	0	0	0	0	0	0	0	0	0

2.

	Description	12/31/2014			12/31/2013			Change		
		1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 – 4) Ordinary	8 (Col. 2 – 5) Capital	9 (Col. 7 + 8) Total
a.	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	0	0	0	0	0	0	0	0	0
b.	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)	0	0	0	0	0	0	0	0	0
b1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	0	0	0	0	0	0	0	0	0
b2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	633,766	XXX	XXX	191,622	XXX	XXX	442,144
c.	Adjusted Gross Deferred Tax Assets	0	0	0	0	0	0	0	0	0

**Notes to Financial Statements**

	(Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities								
d.	Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b – 2c)	0	0	0	0	0	0	0	0

3.

	Description	2014	2013
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	639.951%	11295%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	4,225,104	1,277,481

## 4. Impact of Tax Planning Strategies

For the years ending December 31, 2014 and 2013, GHPOI has not employed any tax planning strategies to admit deferred tax assets.

B. For the years ending December 31, 2014 and 2013, GHPOI does not have situations where DTL's are not recognized for amounts described in paragraph 31 of FAS 109.

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

	Description	1 12/31/2014	2 12/31/2013	3 (Col. 1 – 2) Change
1.	Current Income Tax	0	0	0
a.	Federal	0	0	0
b.	Foreign	0	0	0
c.	Subtotal	0	0	0
d.	Federal income tax on net capital gains	0	0	0
e.	Utilization of capital loss carry-forwards	0	0	0
f.	Other	0	0	0
g.	Federal and foreign income taxes incurred	0	0	0
2.	Deferred Tax Assets:	0	0	0
a.	Ordinary	0	0	0
1.	Discounting of unpaid losses	0	0	0
2.	Unearned premium reserve	0	0	0
3.	Policyholder reserves	0	0	0
4.	Investments	0	0	0
5.	Deferred acquisition costs	29,733	34,904	(5,171)
6.	Policyholder dividends accrual	0	0	0
7.	Fixed assets	0	0	0
8.	Compensation and benefits accrual	0	0	0
9.	Pension accrual	0	0	0
10.	Receivables – nonadmitted	0	0	0
11.	Net operating loss carry-forward	4,664,923	2,942,072	1,722,851
12.	Tax credit carry-forward	0	0	0
13.	Other (including items < 5% of total ordinary tax assets)	593,107	0	593,107
99.	Subtotal	0	0	0
b.	Statutory valuation allowance adjustment	5,287,763	2,976,976	2,310,787
c.	Nonadmitted	0	0	0
d.	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	0	0	0
e.	Capital:	0	0	0
1.	Investments	0	0	0
2.	Net capital loss carry-forward	0	0	0
3.	Real estate	0	0	0
4.	Other (including items < 5% of total capital tax assets)	0	0	0
99.	Subtotal	0	0	0
f.	Statutory valuation allowance adjustment	0	0	0
g.	Nonadmitted	0	0	0
h.	Admitted capital deferred tax assets (2e99 – 2f – 2g)	0	0	0
i.	Admitted deferred tax assets (2d + 2h)	0	0	0
3.	Deferred Tax Liabilities:	0	0	0
a.	Ordinary	0	0	0

## Notes to Financial Statements

1.	Investments	0	0	0
2.	Fixed assets	0	0	0
3.	Deferred and uncollected premium	0	0	0
4.	Policyholder reserves	0	0	0
5.	Other (including items < 5% of total ordinary tax liabilities)	0	0	0
99.	Subtotal	0	0	0
b.	Capital:	0	0	0
1.	Investments	0	0	0
2.	Real estate	0	0	0
3.	Other (including items < 5% of total capital tax liabilities)	0	0	0
99.	Subtotal	0	0	0
c.	Deferred tax liabilities (3a99 + 3b99)	0	0	0
4.	Net deferred tax assets/liabilities (2i – 3c)	0	0	0

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non admitted assets as the change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Adjusted gross deferred tax assets	-	-	-
Total deferred tax liabilities	-	-	-
Net deferred tax assets / (liabilities)	-	-	-
Tax effect of unrealized gains / (losses)		-	
Change in net deferred income tax		-	

D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	<u>2014</u>	<u>2013</u>
Provision computed at statutory rate	(2,233,108)	(2,417,376)
Change in temporary differences recorded		
directly to surplus	(79,704)	0
Change in valuation allowance	2,310,787	2,415,336
Other	<u>2,025</u>	<u>2,040</u>
	<u>\$ 0</u>	<u>\$ 0</u>
Federal and foreign income taxes incurred	\$ 0	\$ 0
Change in net deferred income taxes	0	0
Total statutory income taxes	<u>\$ 0</u>	<u>\$ 0</u>

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

- (1) GHPOI has net operating loss carryforwards of \$13,720,363 which will expire in varying amounts beginning in 2026 through 2034. A valuation allowance was recorded against the entire net operating loss carryforward.
- (2) The following is income tax expense for 2014, 2013 and 2012 that is available for recoupment in the event of future net losses:

<u>Year</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
2012	-	-	-
2013	-	-	-
2014	-	-	-

- (3) GHPOI has not made any deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. GHPOI is not included in a consolidated federal income tax return with any other entities.

## **Notes to Financial Statements**

G. GHPOI does not anticipate that any significant increase or decrease to unrecognized tax benefits will be recorded in 2015.

### **10. Information Concerning Parent, Subsidiaries and Affiliates**

A. A. GHP,LP is the sole member of GHPOI. GHPOI was converted to a nonprofit corporation effective 12/26/2013. GHP,LP is a limited partnership; its general partners are Highmark Ventures Inc., a subsidiary of Highmark Inc. (“Highmark”) and Mercy Health Plan. The limited partners are Highmark and Mercy Health Plan – see Schedule Y for organizational structure. GHPOI files its statutory statements using Highmark’s NAIC group code.

B&C. GHP, LP made capital contributions to GHPOI in the amount of \$400,000 on March 23, 2014, \$100,000 on March 31, 2014, \$5,000,000 on April 9, 2014 and \$3,000,000 on December 18, 2014.

D. An inter-company (payable)/ receivable between GHPOI and Gateway Health Plan, Inc. (“GHPI”) totaled \$(1,442,506) at December 31, 2014 and \$(2,359,474) at December 31, 2013. The balance represents inter-company activity in the normal course of business. An inter-company (payable)/receivable payable between GHPOI and GHP,LP totaled \$1,569,388 at December 31, 2014 and \$4,614,568 at December 31, 2013. The balance represents inter-company activity in the normal course of business.

E. GHPOI has no guarantees or undertakings for the benefit of any affiliate or related party

F. GHP, LP operates under a Program Services Agreement (“PSA”) with GHPOI.

G. GHP, LP is a limited partnership with general partners Highmark Ventures Inc. (a subsidiary of Highmark) and Mercy Health Plan. The limited partners are Highmark and Mercy Health Plan. GHP,LP is the sole member of GHPI, a non-profit Pennsylvania corporation, and GHPOI, a non-profit Ohio corporation.

H. GHPOI has no ownership in upstream entities.

I. GHPOI has no investments in SCA entities.

J. GHPOI has no investments in SCA entities.

K. GHPOI has no foreign insurance subsidiary.

L. GHPOI has no investments in downstream non-insurance holding companies.

### **11. Debt**

A. GHPOI has no capital note obligations.

B. GHPOI has no FHLB (Federal Home Loan Bank) agreements.

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

#### A. Defined Benefit Plan

- (1) Change in benefit obligation – Not Applicable
- (2) Change in plan assets- Not Applicable
- (3) Funded status - Not Applicable
- (4) Components of net periodic benefit cost - Not Applicable
- (5) The amount included in unassigned funds (surplus) for the period arising from a change in the additional minimum pension liability recognized - Not Applicable
- (6) Amounts in unassigned funds (surplus expected to be recognized in the next fiscal year as components of net periodic benefit cost - Not Applicable
- (7) Amounts in unassigned funds (surplus) that have not been recognized as components of net periodic benefit cost - Not Applicable
- (8) Weighted-average assumptions used to determine net period benefit cost - Not Applicable
- (9) The amount of accumulated benefit obligation for defined benefit pension plans - Not Applicable

## **Notes to Financial Statements**

(10) – (11) The defined benefit pension plan asset allocation as of the measurement date, and the target asset allocation, presented as a percentage of total plan assets - Not Applicable

(12) Estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years - Not Applicable

(13) Regulatory contribution requirements - Not Applicable

(14) Amounts and types of securities of the employer and related parties included in the plan assets – Not Applicable

(15) Alternative amortization – Not Applicable

(16) Substantive commitment – Not Applicable

(17) Cost of providing special or contractual termination benefits – Not Applicable

(18) Explanation of any significant change in benefit obligations or plan assets – Not Applicable

(19) The amount and timing of any plan assets expected to be returned to the employer during the 12-month period – Not Applicable

(20) The accumulated postretirement and pension benefit obligation and the fair value of plan assets for defined postretirement and pension benefit plans in the first reporting date after the effective date of this standard and in each subsequent reporting period – Not Applicable

(21) Disclosure of the full transition surplus impact – Not Applicable

B. Narrative Description of Investment Policies and Strategies – Not Applicable

C. Fair Value of Plan Assets – Not Applicable

D. Narrative Description of Basis Used to Determine Expected L-T Rate-of Return – Not Applicable

E. Defined Contribution Plans - Not Applicable

F. Multi-Employer Plan – Not Applicable

G. Consolidated/Holding Company Plans – Not Applicable

H. Post-Employment Benefits and Compensated Absences – Not Applicable

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – Not Applicable

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

(1) GHPOI is a non-profit organization and, as such, does not have stock authorized or outstanding.

(2) GHPOI has no preferred stock outstanding.

(3) There are no restrictions placed on GHPOI's surplus, except risk-based capital requirements imposed by the NAIC, the Department, and GHPOI's regulatory agreement.

(4) No dividends paid in 2014.

(5) Ordinary Dividend Restrictions – Not Applicable

(6) There were no restrictions placed on the GHPOI's surplus, including for whom the surplus is being held.

(7) GHPOI has no advances of surplus not repaid nor does GHPOI hold stock of affiliated companies for specific reasons.

(8) The amount of stock held by the GHPOI for special purposes is \$0.

(9) There were no changes in the balance of special surplus funds from the prior year.

(10) Unassigned funds (surplus) were not changed by unrealized gains and losses.

(11) GHPOI has no surplus notes.

(12) No quasi-reorganizations have taken place as of December 31, 2014.

(13) No quasi-reorganizations have taken place as of December 31, 2014.

### **14. Liabilities, Contingencies and Assessments**

A. GHPOI has no contingent commitments.

## **Notes to Financial Statements**

- B. GHPOI has no assessments.
- C. GHPOI has no gain contingencies.
- D. GHPOI has no claims related extra contractual obligation and bad faith losses stemming from Lawsuits.
- F. GHPOI has no joint and several liabilities.
- G. GHPOI has no other contingencies.

### **15. Leases**

GHPOI has no leases.

### **16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

Not applicable.

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

A. Transfers of Receivables reported as Sales – Not Applicable

B. Transfer and Servicing of Financial Assets

(1) Description of loaned securities – Not Applicable

(2) Servicing Assets and Liabilities

a. Risks inherent in servicing assets and servicing liabilities – Not Applicable

b. Amount of contractually specified servicing fees, late fees and ancillary fees earned for each period – Not Applicable

c. Assumptions used to estimate the fair value – Not Applicable

(3) Servicing assets and servicing liabilities are subsequently measured at fair value – Not Applicable

(4) For securitizations, asset-backed financing arrangements, and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the glossary of the Accounting Practices & Procedures Manual) with the transferred financial assets:

a. Each income statement presented – Not Applicable

b. Each statement of financial position presented, regardless of when the transfer occurred – Not Applicable

(5) Transfers of financial assets accounted for as secured borrowing value – Not Applicable

(6) Transfers of receivables with recourse – Not Applicable

(7) Securities underlying repurchase and reverse repurchase agreements – Not Applicable

C. Wash Sales – GHPOI had no wash sales as of 12/31/2014.

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

A) ASO Plans – Not Applicable

B) ASC Plans – Not Applicable

C) Medicare or Similarly Structured Cost Based Reimbursement Contract

a. Revenue from the Company's Medicare Part D cost based reimbursement portion of the contract for the year 2014, consisted of \$597,110 for reinsurance subsidy, \$807,384 for low-income cost sharing subsidy and \$25,745 for GAP discount coverage.

b. As of December 31, 2014, the Company has recorded receivables of \$318,395 from CMS whose account balance is greater than 10% of the Company's amounts receivable from uninsured accident and health plans of \$10,000.

## **Notes to Financial Statements**

- c. GHPOI has recorded no Medicare Part D allowances and reserves for adjustment of recorded revenues at December 31, 2014.
- d. GHPOI has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Not Applicable.

**20. Fair Value Measurements**

(A)

- (1) The Level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2 or 3) - None
- (2) Fair Value Measurements in (Level 3) of the Fair Value – None
- (3) GHPOI's policy for determining when transfers between levels are recognized is determined at the end of the reporting period. - None
- (4) In accordance with SSAP No. 100, financial assets and liabilities recorded at fair value in the statements of assets, liabilities, capital and surplus are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Input levels, as defined by NAIC SAP, are as follows:

Level 1 – Pricing inputs are based on unadjusted quoted market prices for identical financial assets in active markets. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are based on other than quoted prices in active markets included in Level 1 that are observable unadjusted quoted market prices for similar financial assets or liabilities in active markets or quoted market prices for identical assets in inactive markets.

Level 3 – Pricing inputs include unobservable inputs that are supported by little or no market activity that reflect management's best estimate of what market participants would use in pricing the asset at the measurement date.

The following methods and assumptions were used to determine the fair value of each class of the following assets and liabilities recorded at fair value in the statements of assets, liabilities, capital and surplus:

Bonds – Fair values are based on quoted market prices, where available. These fair values are obtained primarily from a third party pricing service, which generally uses Level 1 or Level 2 inputs for the determination of fair value to facilitate fair value measurements and disclosures. Level 2 securities primarily include corporate securities, securities from states, municipalities, and political subdivisions and mortgage-backed securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds.

Short-term securities – Short-term securities include Class 1 and exempt money market accounts, and securities with a maturity of less than one year but greater than 90 days at the date of purchase. Fair values of short-term securities are based on quoted market prices, where available. These fair values are obtained primarily from a third party pricing service, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. U.S. Government securities represent Level 1 securities, while Level 2 securities include corporate securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds.

## **Notes to Financial Statements**

**Cash and cash equivalents:** Cash equivalents include commercial paper, and discount notes or securities with a maturity of 3 months or less. Cash equivalents are designated as Level 1 or Level 2, depending on structure and the extent of credit-related features.

GHPOI uses a third party pricing service to obtain quoted prices for each security. The third party service provides pricing based on recent trades of the specific security or like securities, as well as a variety of valuation methodologies for those securities where an observable market price may not exist. The third party service may derive pricing for Level 2 securities from market corroborated pricing, matrix pricing, and inputs such as yield curves and indices. Pricing for Level 3 securities may be obtained from investment managers for private placements or derived from discounted cash flows, or ratio analysis and price comparisons of similar companies. GHPOI performs an analysis of reasonableness of the prices received for fair value by monitoring month-to-month fluctuations and determining reasons for significant differences, selectively testing fair values against prices obtained from other sources, and comparing the combined fair value of a class of assets against an appropriate index benchmark. There were no adjustments to quoted market prices obtained from third party pricing services during the period ended December 31, 2014 that were material to the statutory financial statements.

(5) Derivative assets and liabilities - None

B. Fair Value Information under SSAP No. 100 combined with Fair Value information Under Other Account Pronouncements – None

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	1,393,016	1,217,243	1,393,016			
Short Term	5,098,984	5,098,984	5,098,984			

D. Not Practicable to Estimate Fair Value – None

### **21. Other Items**

- A. Extraordinary items – None
- B. Troubled Debt Restructuring Debtors – None
- C. Other Disclosures and Unusual Items – None
- D. Nature of any portion of the balance that is reasonably possible to be uncollectible – None
- E. Business Interruption Insurance Recoveries – None
- F. State Transferable Tax Credit – None
- G. Subprime-Mortgage-Related Risk Exposure – None
- H. Retained Assets – None

### **22. Events Subsequent**

#### Type I. – Recognized Subsequent Events

Subsequent events have been considered through 2/26/2015 for the statutory statement issued on December 31, 2014.

None

#### Type II. – Nonrecognized Subsequent Events

Subsequent events have been considered through 2/26/2015 for the statutory statement issued on December 31, 2014.

The Company is not subject to an annual fee under section 9010 of the Affordable Care Act (ACA). The Company is a non-profit receiving more than 80% of the gross revenue from a government program.

## Notes to Financial Statements

## 23. Reinsurance

#### A. Reinsurance Ceded

## 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 an insured 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 such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (x)

### Section 3 – Ceded Reinsurance Report – Part B – Not applicable.

#### B. Uncollectible Reinsurance – Not Applicable

#### C. Commutation of Ceded Reinsurance - Not Applicable

## 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments for its Medicare Part D Risk Corridor adjustment based on the contract with CMA and actuarial estimates.

B. The company records accrued retrospective premium as an adjustment to earned premium.

C. The amount of net premiums written by the Company as of December 31, 2014 that is subject to retrospective rating features was \$866,870, that represented 11% of total net premiums written for Medicare. No other net premiums written by the Company are subject to retrospective rating features.

D. GHPOI has no medical loss ratio rebates required pursuant to the Public Health Service Act.

E. Risk-Sharing Provisions of the Affordable Care Acct (ACA) – Not Applicable

1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk sharing provisions (Yes/No)?
2. Impact of Risk-Sharing Provision of the Affordable Care Act - Not Applicable
3. Roll-forward of prior year ACA risk-sharing provision - Not Applicable

## 25. Change in Incurred Claims and Claim Adjustment Expenses

There were no reserves as of December 31, 2013. As of December 31, 2014, \$0 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. There are no reserves remaining for prior years. Therefore, there has been a \$0 unfavorable prior-year development between December 31, 2013 and December 31, 2014. These changes are generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

## 26. Inter-company Pooling Arrangements

Not Applicable.

## **Notes to Financial Statements**

### **27. Structured Settlements**

Not applicable for Health entities.

### **28. Healthcare Receivables**

#### A. Pharmacy Rebate Receivable

The rebates accrued are an estimate based on historical rebates received per member per month (PMPM) and current volume.

GHPOI is responsible for billing rebates. The majority of rebates are paid to GHPOI via wire-transfer.

<b>Quarter</b>	<b>Estimated Pharmacy Rebates as Reported on Financial Statements*</b>	<b>Pharmacy Rebates Billed or Otherwise Confirmed**</b>	<b>Actual Rebates Received Within 90 Days of Billing</b>	<b>Actual Rebates Received Within 91 to 180 Days of Billing</b>	<b>Actual Rebates Received More Than 180 Days After Billing</b>
12/31/2014	\$125,688				
09/30/2014	\$77,609	\$14,084	\$459		
06/30/2014	\$59,657	\$32,389	\$32,148		
03/31/2014	\$32,096	\$24,585	\$23,726	\$268	

\*Estimated Pharmacy Rebates as Reported on Financial Statements represents the admitted rebate receivable as reported on the financial statements.

\*\* Pharmacy Rebates Billed or Confirmed represents rebates billed or confirmed in the quarter.

#### B. Risk Sharing Receivables - Not Applicable.

### **29. Participating Policies**

Not Applicable.

### **30. Premium Deficiency Reserves**

1. Liability carried for premium deficiency reserves 2. Date of the most recent evaluation of this liability	\$ <u style="border-bottom: 1px solid black; padding: 0 5px;">(1)</u> <u style="border-bottom: 1px solid black; padding: 0 5px;">1,494,665</u> <u style="border-bottom: 1px solid black; padding: 0 5px;">12/31/2014</u>
3. Was anticipated investment income utilized in the calculation? (Yes / No)	<u style="border-bottom: 1px solid black; padding: 0 5px;">No</u>

### **31. Anticipated Salvage and Subrogation**

Not Applicable.

**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[ ]  
Ohio.....

1.3 State Regulating? .....

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014.....

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). 03/11/2011.....

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[X] No[ ] N/A[ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? Yes[ ] No[X]  
4.12 renewals? Yes[ ] No[X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? Yes[ ] No[X]  
4.22 renewals? Yes[ ] No[X]

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 Name of Entity	2 NAIC Company Code	3 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 ..... 0.000%  
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, government, manager or attorney-in-fact) .....

1 Nationality	2 Type of Entity
.....	.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....	.....	..... Yes[ ] No[X] ..			

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
PriceWaterhouse Coopers, LLP USX Tower, 600 Grant Street, Pittsburgh, PA 15219

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 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 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?  
Milliman USA, Matthew Anthony, FSA, 1550 Liberty Drive, Suite 200 Wayne PA, 19087. (Actuary/Consultant Associated with an Actuarial Consulting Firm)

## **GENERAL INTERROGATORIES (Continued)**

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> [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	
<b>13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:</b>	
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> [X]
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> [X]
13.3 Have there been any changes made to any of the trust indentures during the year?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> [X]
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> [X]
14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> [X]
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 <input type="checkbox"/> No <input checked="" type="checkbox"/> [X]
14.21 If the response to 14.2 is yes, provide information related to amendment(s).	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> [X]
14.3 Have any provisions of the code of ethics been waived for any of the specified officers?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> [X]
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).	
15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> [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
15.2001				

# BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[X] No[ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No[ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes[X] No[ ]

## FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?	Yes[ ] No[X]
20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):	
20.11 To directors or other officers	\$..... 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 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[ ] No[X]
22.2 If answer is yes:	
22.21 Amount paid as losses or risk adjustment	\$..... 0
22.22 Amount paid as expenses	\$..... 0
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[X] No[ ]
23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$..... 1,569,388

## 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]

**GENERAL INTERROGATORIES (Continued)**

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

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

24.101 Total fair value of 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	\$ ..... 1,217,243
25.29 On deposit with other regulatory bodies	\$ ..... 0
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 Nature of Restriction	2 Description	3 Amount
.....	.....	.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? 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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
PNC Bank, NA .....	Pittsburgh, PA .....
Mellon Bank, NA .....	Pittsburgh, PA .....

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

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

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

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

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

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

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

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

29.2 If yes, complete the following schedule:

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

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

**GENERAL INTERROGATORIES (Continued)**

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
	30.1 Bonds .....	1,217,243	1,393,016
30.2 Preferred stocks .....	.....	.....	.....
30.3 Totals .....	1,217,243	1,393,016	175,773

30.4 Describe the sources or methods utilized in determining the fair values  
From Custodian's Year end statements.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[ ]  
31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[ ] N/A[ ]  
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:

**OTHER**

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 17,981  
33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
OHIO DEPT OF INSURANCE .....	9,630

34.1 Amount of payments for legal expenses, if any? \$ ..... 1,436  
34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
CLARK HILL THORP REED .....	936
TREASURER OF STATE OF OHIO .....	500

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 0  
35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

**GENERAL INTERROGATORIES (Continued)****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	7,523,245	
2.2 Premium Denominator	7,523,245	
2.3 Premium Ratio (2.1 / 2.2)	1.000	
2.4 Reserve Numerator	3,190,262	
2.5 Reserve Denominator	3,190,262	
2.6 Reserve Ratio (2.4 / 2.5)	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[ ] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

5.2 If no, explain:

No enrollment. In run-out.

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical	\$..... 475,000
5.32 Medical Only	\$..... 0
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:

No enrollment. In run-out

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	0
8.2 Number of providers at end of reporting year	13,004

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

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

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

10.2 If yes:

10.21 Maximum amount payable bonuses	\$..... 0
10.22 Amount actually paid for year bonuses	\$..... 0
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[X]
11.13 An Individual Practice Association (IPA), or,	Yes[ ] No[X]
11.14 A Mixed Model (combination of above)?	Yes[ ] No[X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

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

Ohio

11.4 If yes, show the amount required.

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

11.6 If the amount is calculated, show the calculation.

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

1 Name of Service Area
State of Ohio .....
State of North Carolina .....
Commonwealth of Kentucky .....

13.1 Do you act as a custodian for health savings accounts?

Yes[ ] No[X]

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

\$..... 0

13.3 Do you act as an administrator for health savings accounts?

Yes[ ] No[X]

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

\$..... 0

**GENERAL INTERROGATORIES (Continued)**

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?  
 14.2 If the answer to 14.1 is yes, please provide the following:

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

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting 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  
 15.2 Total incurred claims  
 15.2 Number of covered lives

\$..... 0  
 \$..... 0  
 ..... 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 Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

**FIVE-YEAR HISTORICAL DATA**

	1 2014	2 2013	3 2012	4 2011	5 2010
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28)	9,030,758	8,290,977	2,401,520	2,401,414	4,155,826
2. TOTAL Liabilities (Page 3, Line 24)	4,805,654	5,763,497	14,111	13,715	188,087
3. Statutory surplus	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	4,225,104	2,527,480	2,387,409	2,387,699	3,967,739
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8)	7,523,245			1,270	(44)
6. TOTAL Medical and Hospital Expenses (Line 18)	6,613,519	168	54	(11,102)	(151,966)
7. Claims adjustment expenses (Line 20)	3,060,333				4,106
8. TOTAL Administrative Expenses (Line 21)	2,936,792	7,110,749	1,663	1,044	7,859
9. Net underwriting gain (loss) (Line 24)	(6,582,063)	(7,110,917)	(1,717)	11,328	139,957
10. Net investment gain (loss) (Line 27)	14,099	988	1,428	5,574	12,657
11. TOTAL Other Income (Lines 28 plus 29)				(1,420)	
12. Net income or (loss) (Line 32)	(6,567,964)	(7,109,929)	(289)	15,482	152,614
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11)	(3,863,892)	(7,081,438)	3,271	(149,194)	(38,856)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital	4,225,104	2,527,480	2,387,409	2,387,699	3,967,739
15. Authorized control level risk-based capital	660,055	11,310	2,528	2,576	7,850
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7)	1,068				
17. TOTAL Members Months (Column 6, Line 7)	7,660				
<b>OPERATING PERCENTAGE (Page 4)</b>					
(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)	87.9			(874.2)	345,377.3
20. Cost containment expenses	5.7				
21. Other claims adjustment expenses	35.0				(9,331.8)
22. TOTAL Underwriting Deductions (Line 23)	187.5			(792.0)	318,184.1
23. TOTAL Underwriting Gain (Loss) (Line 24)	(87.5)			892.0	(318,084.1)
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)		168	54	(3,720)	47,010
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]				7,382	198,976
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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

If no, please explain::

# **SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES**

State, Etc.	1 Active Status	Direct Business Only							9 Deposit - Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama (AL) .....	N .....								
2. Alaska (AK) .....	N .....								
3. Arizona (AZ) .....	N .....								
4. Arkansas (AR) .....	N .....								
5. California (CA) .....	N .....								
6. Colorado (CO) .....	N .....								
7. Connecticut (CT) .....	N .....								
8. Delaware (DE) .....	N .....								
9. District of Columbia (DC) .....	N .....								
10. Florida (FL) .....	N .....								
11. Georgia (GA) .....	N .....								
12. Hawaii (HI) .....	N .....								
13. Idaho (ID) .....	N .....								
14. Illinois (IL) .....	N .....								
15. Indiana (IN) .....	N .....								
16. Iowa (IA) .....	N .....								
17. Kansas (KS) .....	N .....								
18. Kentucky (KY) .....	L .....								
19. Louisiana (LA) .....	N .....								
20. Maine (ME) .....	N .....								
21. Maryland (MD) .....	N .....								
22. Massachusetts (MA) .....	N .....								
23. Michigan (MI) .....	N .....								
24. Minnesota (MN) .....	N .....								
25. Mississippi (MS) .....	N .....								
26. Missouri (MO) .....	N .....								
27. Montana (MT) .....	N .....								
28. Nebraska (NE) .....	N .....								
29. Nevada (NV) .....	N .....								
30. New Hampshire (NH) .....	N .....								
31. New Jersey (NJ) .....	N .....								
32. New Mexico (NM) .....	N .....								
33. New York (NY) .....	N .....								
34. North Carolina (NC) .....	L .....								
35. North Dakota (ND) .....	N .....								
36. Ohio (OH) .....	L .....		7,540,052						7,540,052
37. Oklahoma (OK) .....	N .....								
38. Oregon (OR) .....	N .....								
39. Pennsylvania (PA) .....	N .....								
40. Rhode Island (RI) .....	N .....								
41. South Carolina (SC) .....	N .....								
42. South Dakota (SD) .....	N .....								
43. Tennessee (TN) .....	N .....								
44. Texas (TX) .....	N .....								
45. Utah (UT) .....	N .....								
46. Vermont (VT) .....	N .....								
47. Virginia (VA) .....	N .....								
48. Washington (WA) .....	N .....								
49. West Virginia (WV) .....	N .....								
50. Wisconsin (WI) .....	N .....								
51. Wyoming (WY) .....	N .....								
52. American Samoa (AS) .....	N .....								
53. Guam (GU) .....	N .....								
54. Puerto Rico (PR) .....	N .....								
55. U.S. Virgin Islands (VI) .....	N .....								
56. Northern Mariana Islands (MP) .....	N .....								
57. Canada (CAN) .....	N .....								
58. Aggregate other alien (OT) .....	XXX .....								
59. Subtotal .....	XXX .....		7,540,052						7,540,052
60. Reporting entity contributions for Employee Benefit Plans .....	XXX .....								
61. TOTAL (Direct Business) .....	(a) 3 .....		7,540,052						7,540,052

**DETAILS OF WRITE-INS**

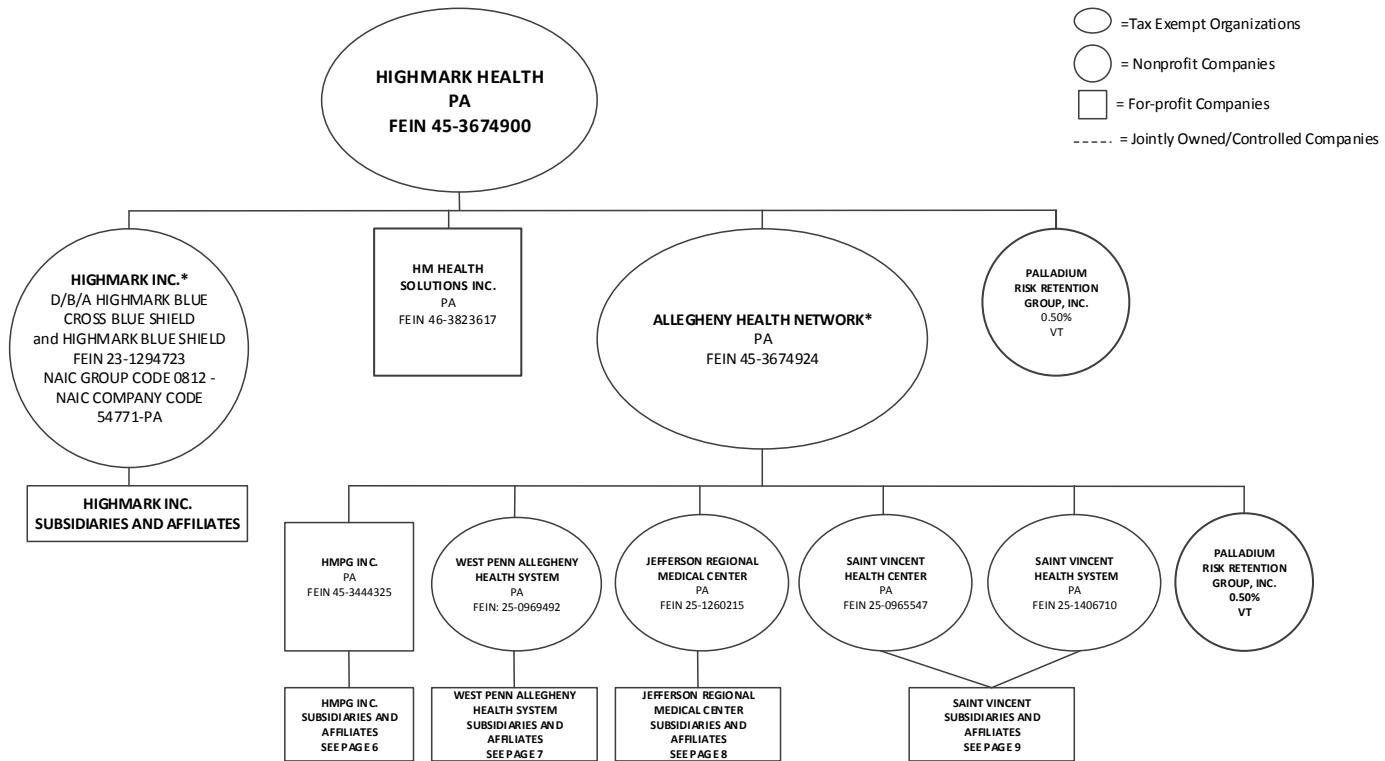
58001 .....	XXX .....								
58002 .....	XXX .....								
58003 .....	XXX .....								
58998. Summary of remaining write-ins for Line 58 from overflow page ...	XXX .....								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) .....	XXX .....								

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

(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.: Premiums are allocated based on situs of contract.

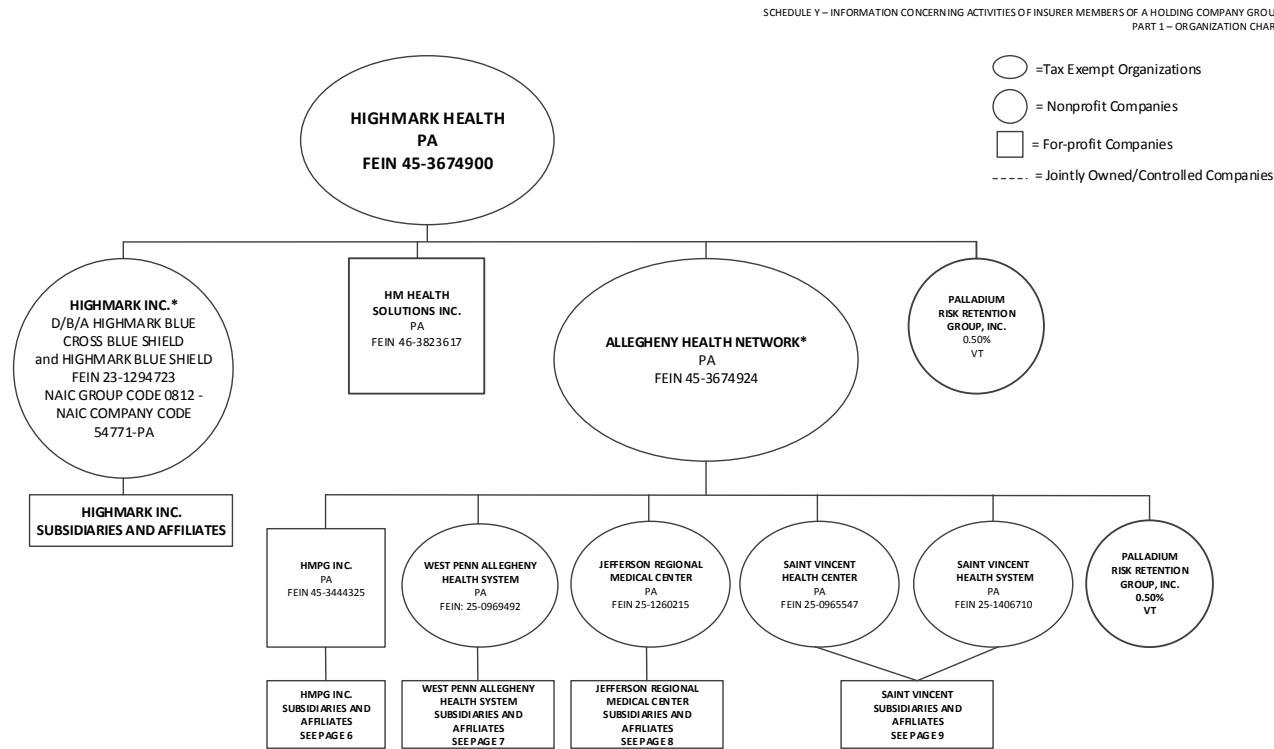
## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATIONAL CHART

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



\* Highmark Health maintains control through ability to appoint the board of directors as sole member.

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

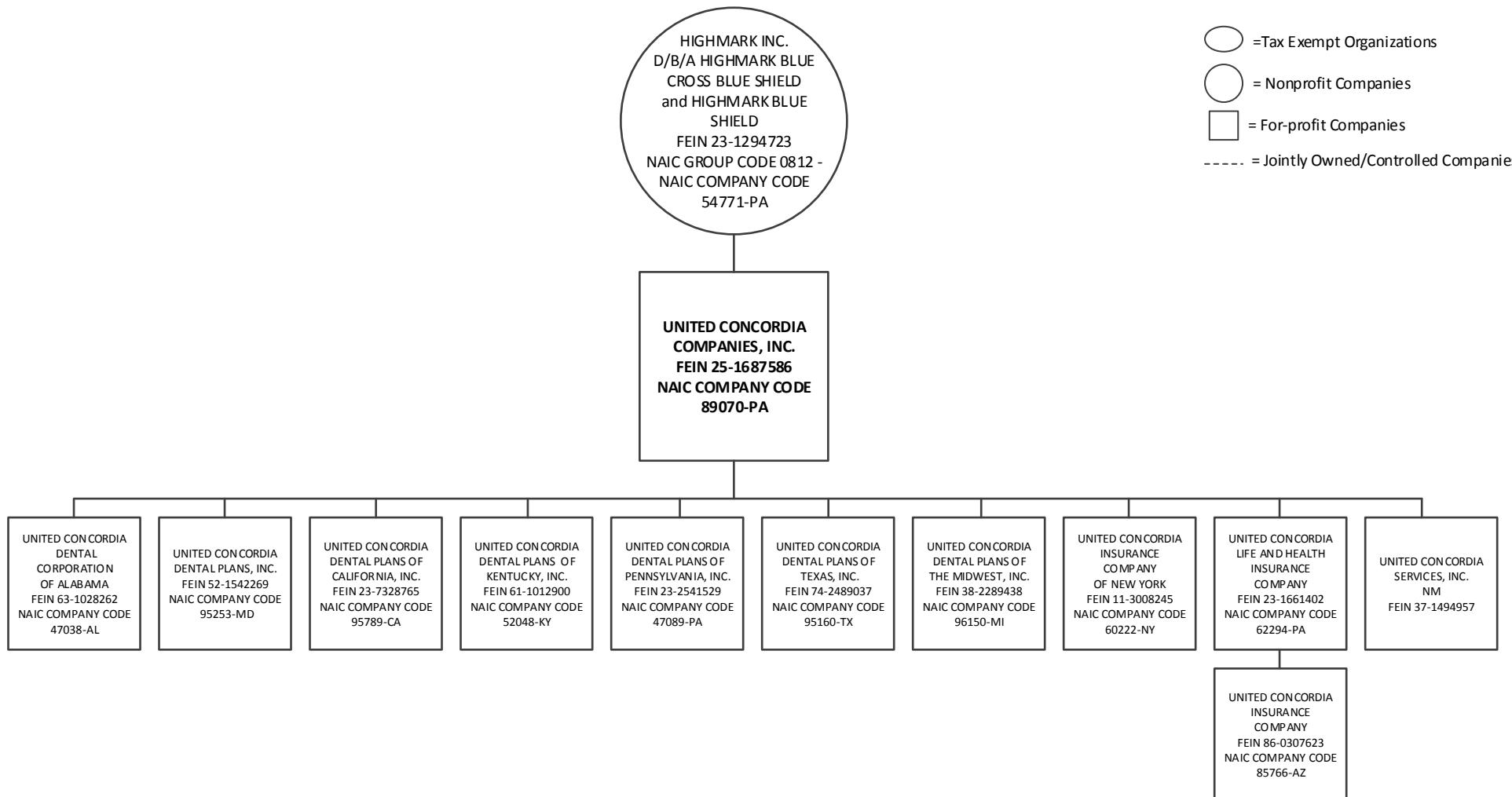


## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### 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 - ORGANIZATION CHART

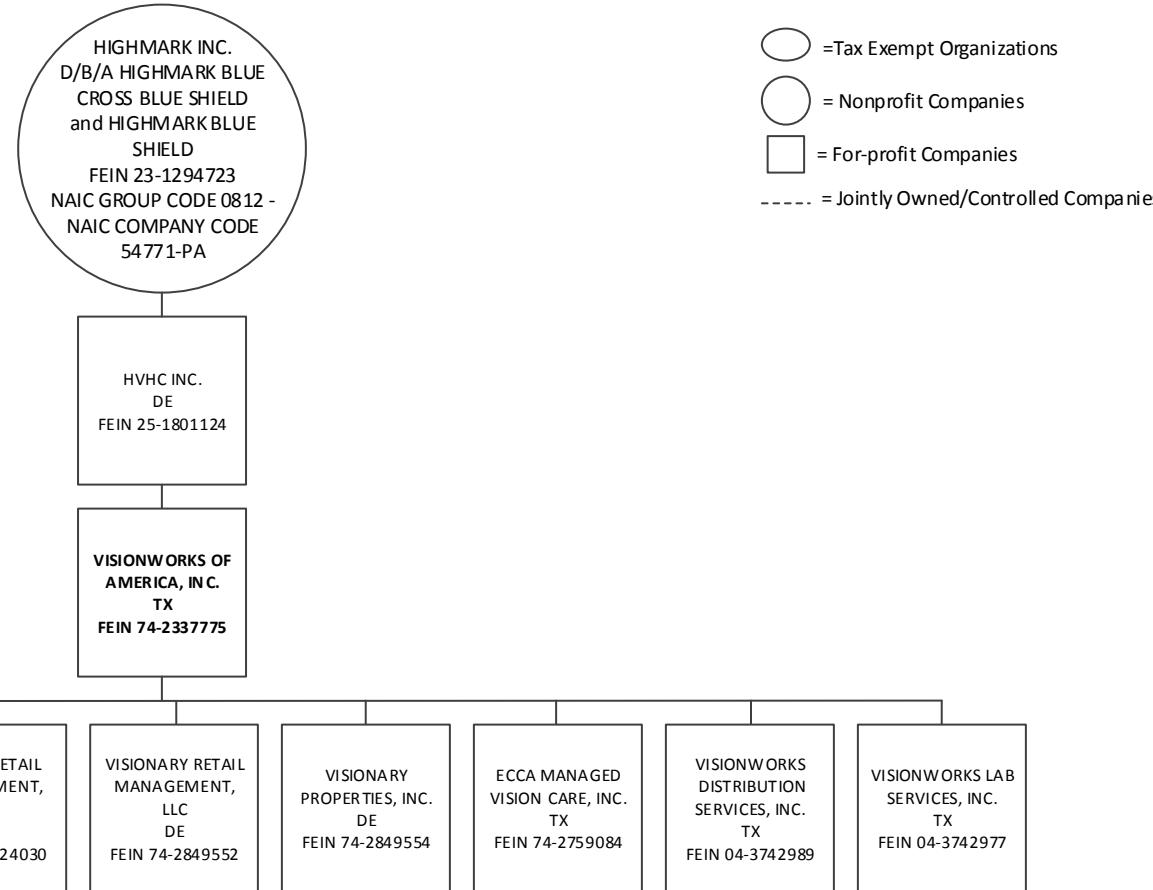


## **SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**

### **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 - ORGANIZATION CHART

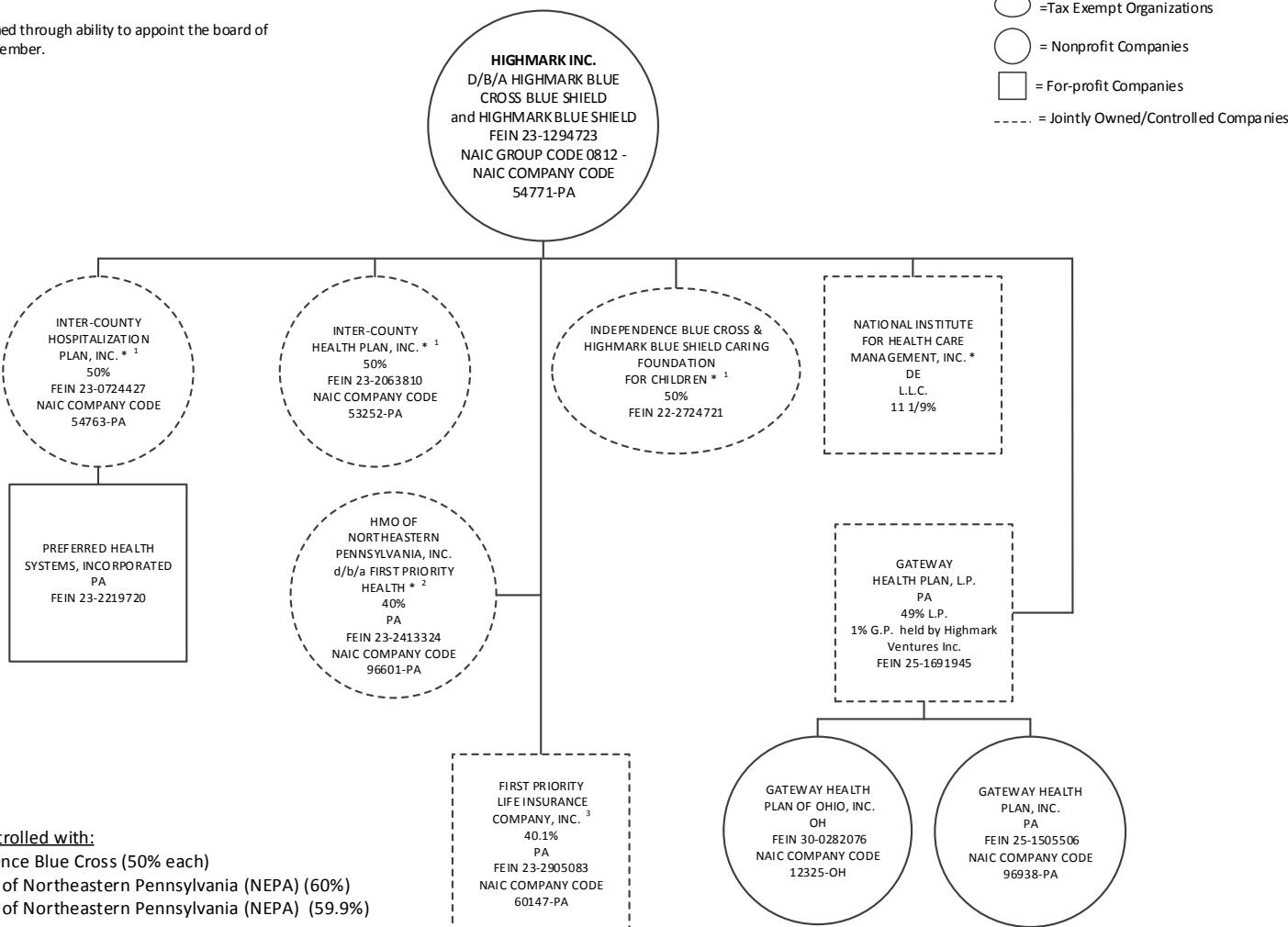


# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART

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

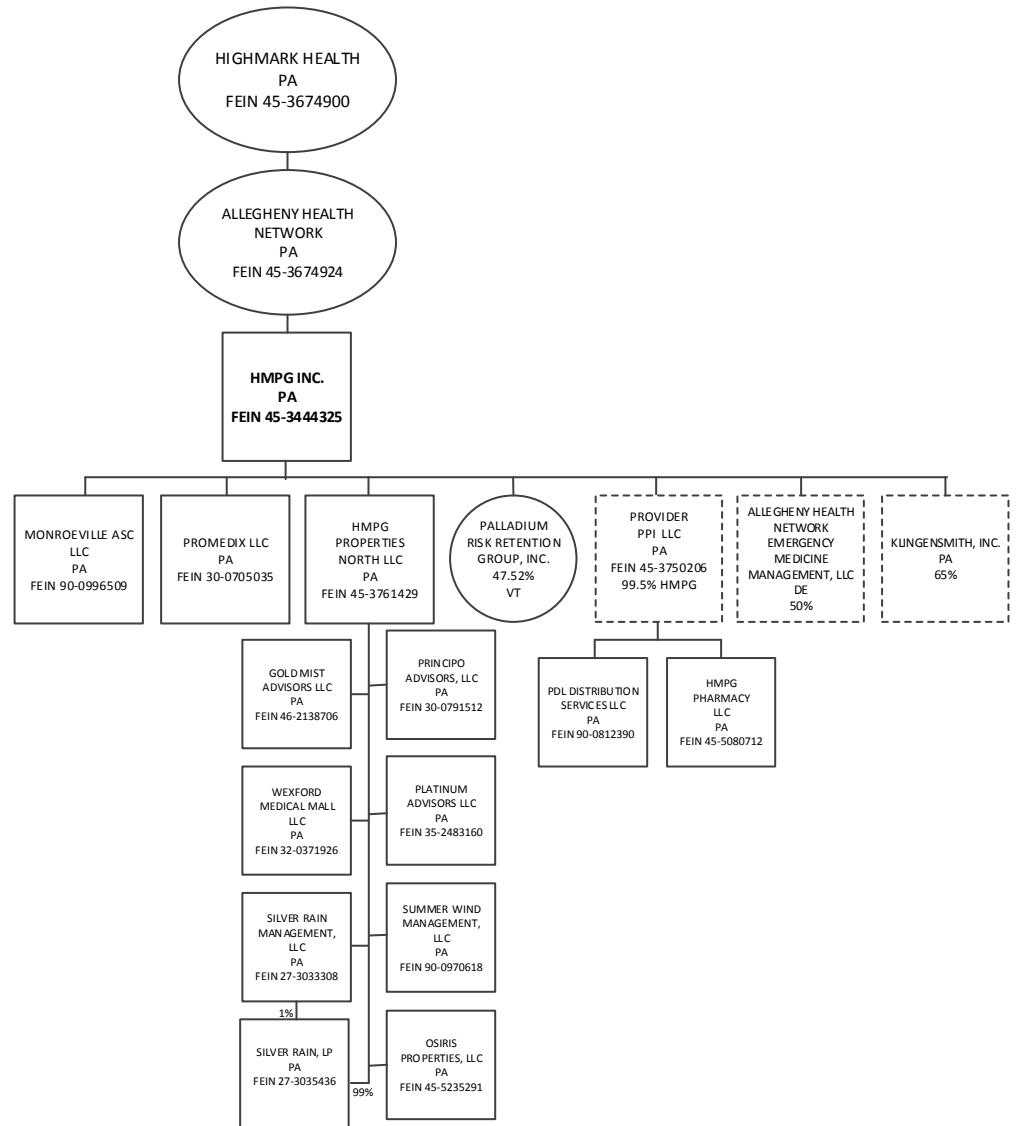
\* Control is maintained through ability to appoint the board of directors as sole member.



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

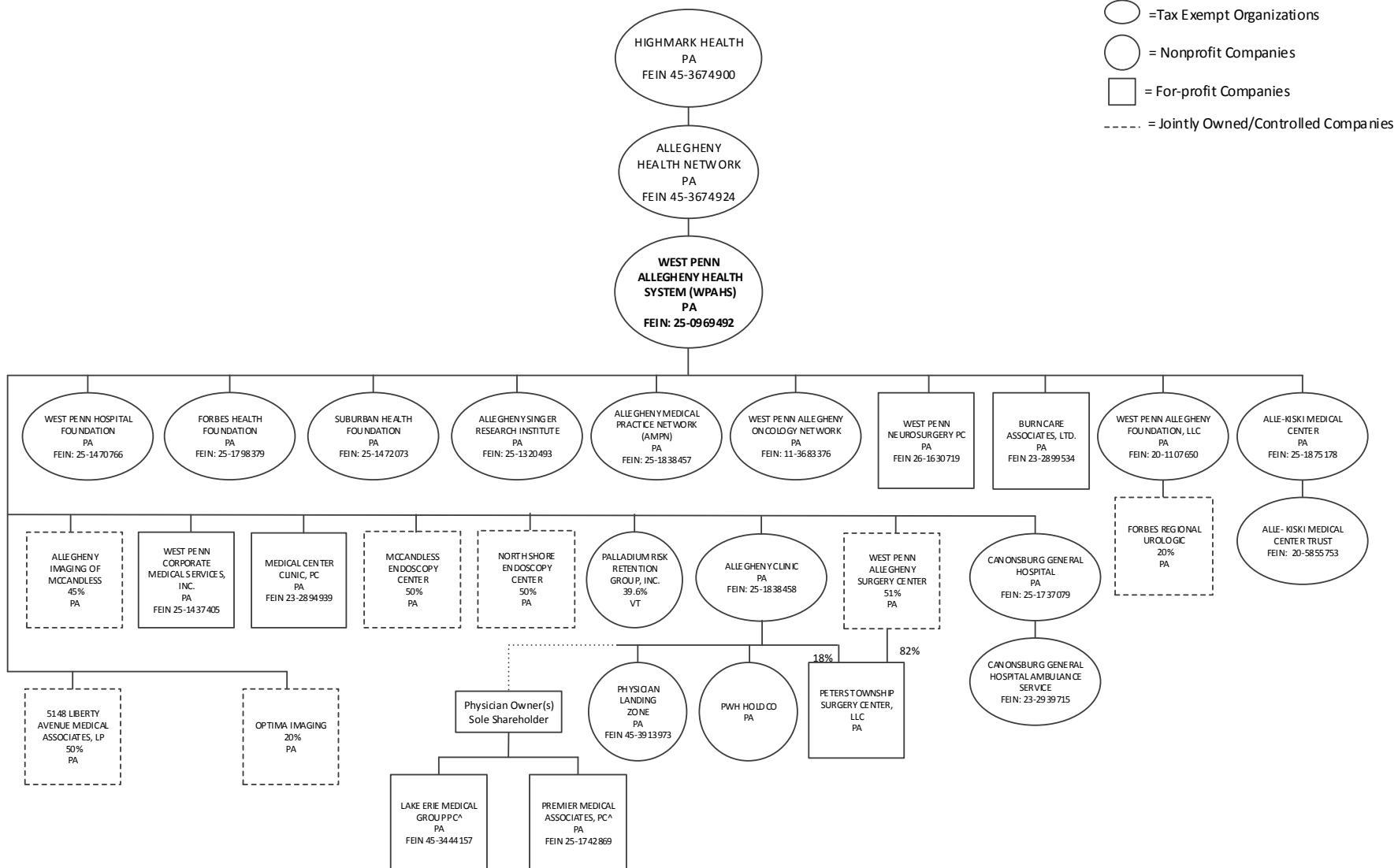
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATION CHART

- = Tax Exempt Organizations
- = Nonprofit Companies
- = For-profit Companies
- = Jointly Owned/Controlled Companies



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

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PART 1 – ORGANIZATION CHART

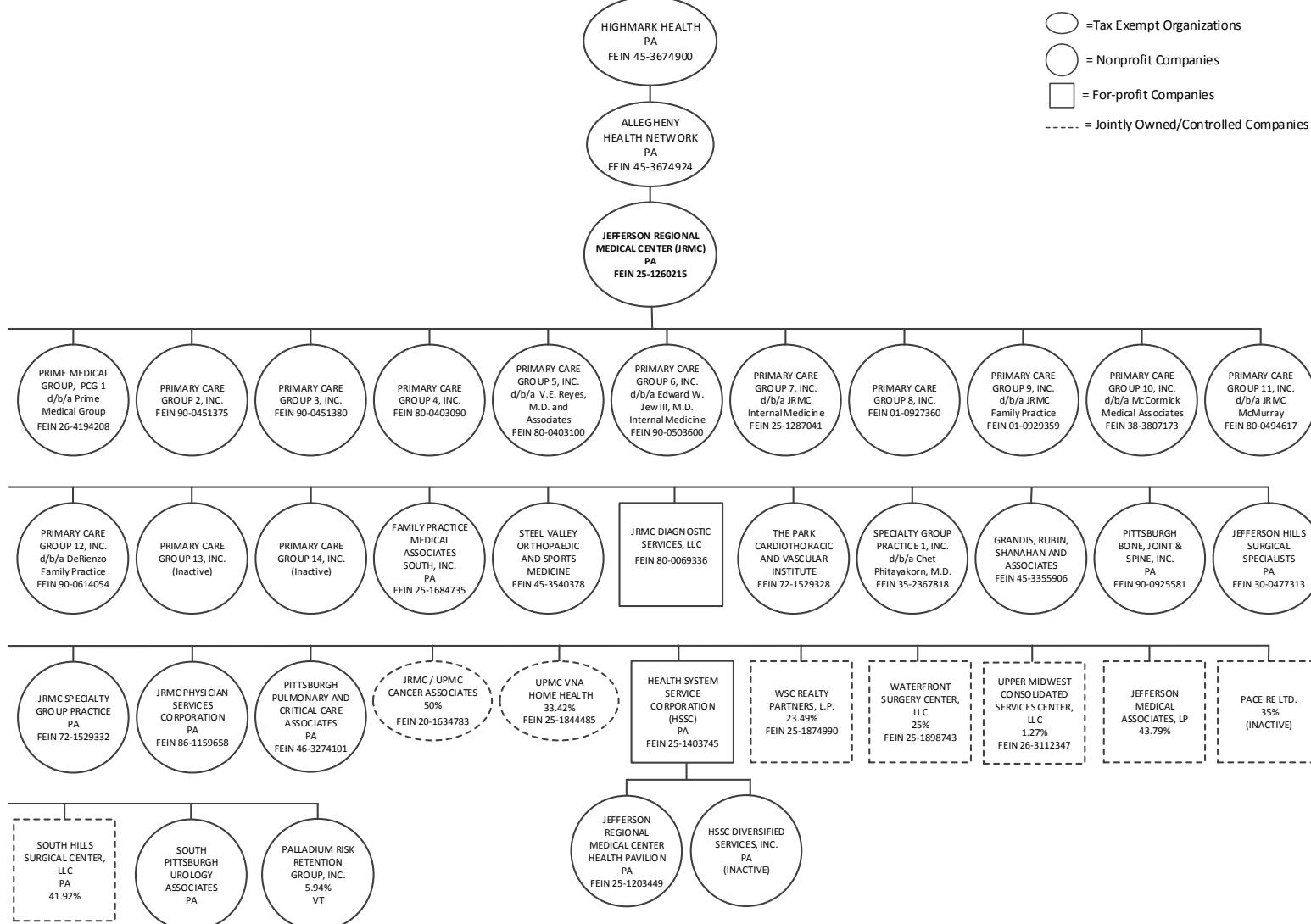


# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

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PART 1 - ORGANIZATION CHART

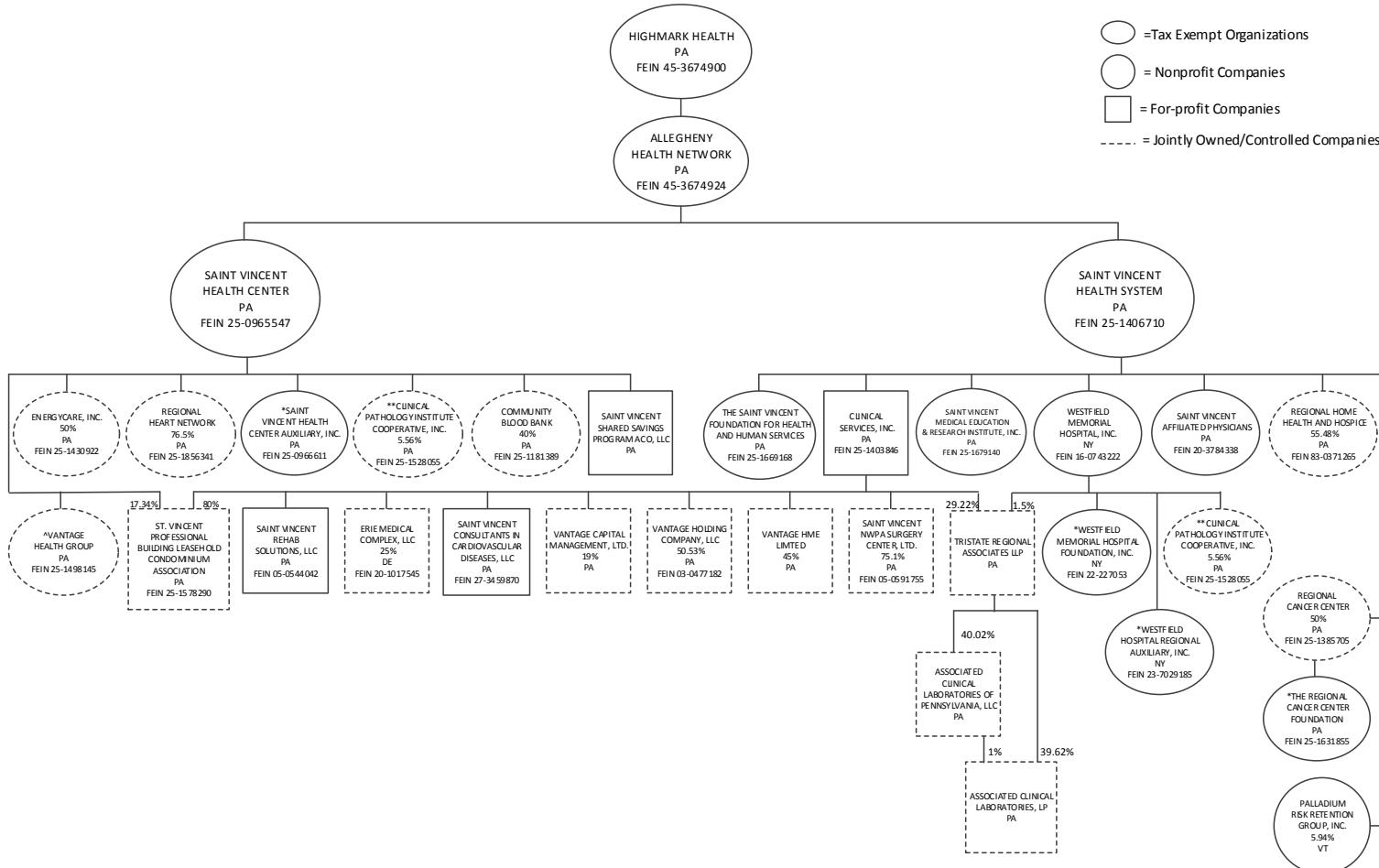


# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## 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 - ORGANIZATION CHART



\*Support relationship; no formal governance control

\*\*SVHC has a 50% financial interest. There is a membership of 18 members, each with 1 membership unit (5.56% interest). SVHC and WMH, along with other non-affiliated entities, hold a 1/18 member interest (i.e., governance interest).

^SVHC maintains a fund balance of 39.1%. Governance control percentage is 13.4%.

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