



HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2015  
OF THE CONDITION AND AFFAIRS OF THE  
Community Insurance Company

NAIC Group Code 0671 0671 NAIC Company Code 10345 Employer's ID Number 31-1440175  
(Current) (Prior)  
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio  
Country of Domicile United States of America  
Licensed as business type: Property/Casualty  
Is HMO Federally Qualified? Yes [ ] No [ X ]  
Incorporated/Organized 07/08/1995 Commenced Business 10/01/1995  
Statutory Home Office 4361 Irwin Simpson Road Mason, OH, US 45040-9498  
(Street and Number) (City or Town, State, Country and Zip Code)  
Main Administrative Office 4361 Irwin Simpson Road  
(Street and Number)  
Mason, OH, US 45040-9498 513-872-8100  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)  
Mail Address N17 W24340 Riverwood Drive Waukesha, WI, US 53188  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)  
Primary Location of Books and Records N17 W24340 Riverwood Drive  
(Street and Number)  
Waukesha, WI, US 53188 262-523-2439  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)  
Internet Website Address www.anthem.com  
Statutory Statement Contact Brenda J. Buss 262-523-2439  
(Name) (Area Code) (Telephone Number)  
Brenda.Buss@anthem.com 262-523-4945  
(E-mail Address) (FAX Number)

OFFICERS

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

OTHER

Eric (Rick) Kenneth Noble, Assistant Treasurer Denise Marie Mendith #, Valuation Actuary David James McNichols #, Vice President - Medicare Regional President

DIRECTORS OR TRUSTEES

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

State of Ohio SS:  
County of Warren

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

Erin Patricia Hoeflinger Kathleen Susan Kiefer Robert David Kretschmer  
President/Chairperson Vice President/Secretary Vice President/Treasurer

Subscribed and sworn to before me this 5th day of FEBRUARY, 2016  
Kathleen J. Fahey

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



Kathleen J. Fahey  
Notary Public, State of Ohio  
My Commission Expires 04-12-2019

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

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) .....	1,130,911,801		1,130,911,801	1,124,721,569
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	250,218,151		250,218,151	291,247,041
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	12,439,300		12,439,300	12,695,678
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....			0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....			0	0
5. Cash (\$ .....(195,063,611) , Schedule E - Part 1), cash equivalents (\$ .....0 , Schedule E - Part 2) and short-term investments (\$ .....56,559,222 , Schedule DA) .....	(138,504,389)		(138,504,389)	(285,615,813)
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....	47,738,113		47,738,113	44,483,736
9. Receivables for securities .....	6,542,098		6,542,098	8,208,910
10. Securities lending reinvested collateral assets (Schedule DL) .....	140,667,893		140,667,893	164,059,075
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,450,012,967	0	1,450,012,967	1,359,800,196
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	10,608,549		10,608,549	10,162,806
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	20,764,228	1,674,525	19,089,703	51,728,014
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....115,606,873 earned but unbilled premiums) .....	115,606,873		115,606,873	107,858,824
15.3 Accrued retrospective premiums (\$ .....600,845 ) and contracts subject to redetermination (\$ .....47,377,773 ) .....	47,978,618		47,978,618	2,046,129
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	15,187,021		15,187,021	23,019,013
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	245,490,117	34,546,449	210,943,668	217,719,921
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	61,074,330		61,074,330	38,649,928
19. Guaranty funds receivable or on deposit .....	288,865		288,865	288,865
20. Electronic data processing equipment and software .....	298		298	88,232
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	3,605,841	3,605,841	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	124,339,858		124,339,858	163,968,657
24. Health care (\$ .....29,305,274 ) and other amounts receivable .....	78,765,937	49,460,663	29,305,274	22,755,671
25. Aggregate write-ins for other than invested assets .....	8,032,484	1,080,412	6,952,072	16,181,613
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,181,755,986	90,367,890	2,091,388,096	2,014,267,869
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	2,181,755,986	90,367,890	2,091,388,096	2,014,267,869
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Bluecard receivables .....	6,609,547		6,609,547	6,406,413
2502. ACA risk adjustment receivable .....			0	9,673,000
2503. Other miscellaneous accounts receivable .....	1,422,937	1,080,412	342,525	102,200
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	8,032,484	1,080,412	6,952,072	16,181,613

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ .....2,343,905 reinsurance ceded) .....	504,628,775	8,563,872	513,192,647	515,497,621
2. Accrued medical incentive pool and bonus amounts .....	11,308,578		11,308,578	6,683,673
3. Unpaid claims adjustment expenses .....	17,675,483		17,675,483	20,164,301
4. Aggregate health policy reserves, including the liability of \$ .....8,406,691 for medical loss ratio rebate per the Public Health Service Act .....	49,910,676		49,910,676	33,828,070
5. Aggregate life policy reserves .....			0	0
6. Property/casualty unearned premium reserves .....			0	0
7. Aggregate health claim reserves .....	102,688		102,688	103,225
8. Premiums received in advance .....	54,712,251		54,712,251	44,146,207
9. General expenses due or accrued .....	52,864,047		52,864,047	57,543,039
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....	1,162,656		1,162,656	13,111,088
10.2 Net deferred tax liability .....			0	0
11. Ceded reinsurance premiums payable .....			0	0
12. Amounts withheld or retained for the account of others .....	1,794,168		1,794,168	1,176,096
13. Remittances and items not allocated .....	32,492,015		32,492,015	18,766,804
14. Borrowed money (including \$ .....150,000,000 current) and interest thereon \$ .....178,333 (including \$ .....178,333 current) .....	150,178,333		150,178,333	100,005,333
15. Amounts due to parent, subsidiaries and affiliates .....	147,330,302		147,330,302	65,033,123
16. Derivatives .....			0	0
17. Payable for securities .....	20,146,393		20,146,393	11,664,251
18. Payable for securities lending .....	140,667,893		140,667,893	164,059,075
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers) .....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans .....	104,563,567		104,563,567	89,616,456
23. Aggregate write-ins for other liabilities (including \$ .....23,095,082 current) .....	39,147,081	0	39,147,081	60,717,031
24. Total liabilities (Lines 1 to 23) .....	1,328,684,906	8,563,872	1,337,248,778	1,202,115,393
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	89,471,519	101,152,132
26. Common capital stock .....	XXX	XXX	1,142,307	1,142,307
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	195,393,523	195,393,523
29. Surplus notes .....	XXX	XXX	0	
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	468,131,969	514,464,514
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	754,139,318	812,152,476
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	2,091,388,096	2,014,267,869
<b>DETAILS OF WRITE-INS</b>				
2301. Escheat liabilities .....	30,941,954		30,941,954	23,503,440
2302. Medicare risk adjustment payable .....			0	26,513,010
2303. Other accrued expenses - non trade .....	8,205,127		8,205,127	10,700,581
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) .....	39,147,081	0	39,147,081	60,717,031
2501. Estimated ACA insurer fee .....	XXX	XXX	84,012,403	94,793,972
2502. Deferred gain on sale-leaseback transaction. ....	XXX	XXX	5,459,116	6,358,160
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	XXX	XXX	89,471,519	101,152,132
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above) .....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	22,435,066	24,051,555
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	5,271,222,286	5,279,770,418
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	(16,521,076)	29,450,004
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	
5. Risk revenue .....	XXX	0	
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	700,000	0
8. Total revenues (Lines 2 to 7) .....	XXX	5,255,401,210	5,309,220,422
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....	56,061,125	3,150,109,207	3,222,028,154
10. Other professional services .....	6,567,154	369,012,411	360,362,618
11. Outside referrals .....		0	
12. Emergency room and out-of-area .....	2,125,723	119,445,679	113,091,031
13. Prescription drugs .....	12,520	702,356,390	682,881,053
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		26,743,918	15,038,183
16. Subtotal (Lines 9 to 15) .....	64,766,522	4,367,667,605	4,393,401,039
<b>Less:</b>			
17. Net reinsurance recoveries .....		20,159,900	26,721,364
18. Total hospital and medical (Lines 16 minus 17) .....	64,766,522	4,347,507,705	4,366,679,675
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....70,493,463 cost containment expenses .....		129,868,302	111,950,331
21. General administrative expenses .....		390,664,518	433,286,971
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		(3,283,503)	4,425,966
23. Total underwriting deductions (Lines 18 through 22).....	64,766,522	4,864,757,022	4,916,342,943
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	390,644,188	392,877,479
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		49,579,902	52,275,313
26. Net realized capital gains (losses) less capital gains tax of \$ .....7,818,637 .....		1,848,973	11,809,983
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	51,428,875	64,085,296
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ .....127,624 )] .....		(127,624)	(35,774)
29. Aggregate write-ins for other income or expenses .....	0	990,751	1,918,442
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	442,936,190	458,845,443
31. Federal and foreign income taxes incurred .....	XXX	176,669,810	181,973,149
32. Net income (loss) (Lines 30 minus 31) .....	XXX	266,266,380	276,872,294
<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	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	0	0
0701. Gain on premium tax credit .....	XXX	700,000	
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	700,000	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. Miscellaneous revenue .....		990,751	1,918,442
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	990,751	1,918,442



STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	812,152,476	778,382,786
34. Net income or (loss) from Line 32 .....	266,266,380	276,872,294
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... (15,750,883) .....	(29,251,640)	4,586,506
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	6,673,519	5,389,624
39. Change in nonadmitted assets .....	(24,002,374)	(9,436,894)
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....	(276,800,000)	(250,000,000)
47. Aggregate write-ins for gains or (losses) in surplus .....	(899,044)	6,358,160
48. Net change in capital and surplus (Lines 34 to 47) .....	(58,013,159)	33,769,690
49. Capital and surplus end of reporting period (Line 33 plus 48)	754,139,318	812,152,476
DETAILS OF WRITE-INS		
4701. Deferred gain on sale-leaseback transaction .....	(899,044)	6,358,160
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	(899,044)	6,358,160

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	5,263,503,572	5,284,961,335
2. Net investment income .....	56,474,129	61,013,140
3. Miscellaneous income .....	700,000	0
4. Total (Lines 1 through 3) .....	5,320,677,701	5,345,974,475
5. Benefit and loss related payments .....	4,337,356,319	4,336,365,621
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	514,257,633	548,659,120
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ .....7,818,637 tax on capital gains (losses) .....	196,436,879	180,534,414
10. Total (Lines 5 through 9) .....	5,048,050,831	5,065,559,155
11. Net cash from operations (Line 4 minus Line 10) .....	272,626,870	280,415,320
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	875,264,872	914,558,788
12.2 Stocks .....	159,090,118	155,861,661
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	15,290,630
12.5 Other invested assets .....	10,859,756	13,960,303
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	2,057
12.7 Miscellaneous proceeds .....	33,540,136	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,078,754,882	1,099,673,439
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	899,196,865	877,002,956
13.2 Stocks .....	140,625,914	121,979,551
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	631,764	1,663,975
13.5 Other invested assets .....	15,594,428	13,432,438
13.6 Miscellaneous applications .....	0	66,703,416
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	1,056,048,971	1,080,782,336
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	22,705,911	18,891,103
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	50,173,000	(50,002,250)
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	276,800,000	250,000,000
16.6 Other cash provided (applied) .....	78,405,643	3,755,793
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(148,221,357)	(296,246,457)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	147,111,424	3,059,966
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	(285,615,813)	(288,675,779)
19.2 End of year (Line 18 plus Line 19.1) .....	(138,504,389)	(285,615,813)

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

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ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	5,271,222,286	2,550,033,220	121,156,478	44,514,169	13,418,112	1,030,140,734	1,336,630,223	0	175,329,350	
2. Change in unearned premium reserves and reserve for rate credit .....	(16,521,076)	(9,396,766)	1,001,675	(95,961)	(25,948)	0	(8,004,076)	0	0	
3. Fee-for-service (net of \$ ..... medical expenses) .....	0									XXX
4. Risk revenue .....	0									XXX
5. Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	700,000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	700,000
7. Total revenues (Lines 1 to 6) .....	5,255,401,210	2,540,636,454	122,158,153	44,418,208	13,392,164	1,030,140,734	1,328,626,147	0	175,329,350	700,000
8. Hospital/medical benefits .....	3,150,109,207	1,377,997,206	79,253,040	0	0	656,535,481	894,145,414	370	142,177,696	XXX
9. Other professional services .....	369,012,411	163,694,386	10,261,665	29,219,038	9,561,367	68,794,151	87,481,804	0	0	XXX
10. Outside referrals .....	0									XXX
11. Emergency room and out-of-area .....	119,445,679	59,302,438	2,107,306	0	0	22,432,875	35,603,060	0	0	XXX
12. Prescription drugs .....	702,356,390	426,031,274	(382,056)	0	0	194,731,314	79,926,867	(531)	2,049,522	XXX
13. Aggregate write-ins for other hospital and medical .....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	26,743,918	9,071,934	0	0	0	2,967,418	14,704,566	0	0	XXX
15. Subtotal (Lines 8 to 14) .....	4,367,667,605	2,036,097,238	91,239,955	29,219,038	9,561,367	945,461,239	1,111,861,711	(161)	144,227,218	XXX
16. Net reinsurance recoveries .....	20,159,900	20,159,900								XXX
17. Total medical and hospital (Lines 15 minus 16) .....	4,347,507,705	2,015,937,338	91,239,955	29,219,038	9,561,367	945,461,239	1,111,861,711	(161)	144,227,218	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ .....70,493,463 cost containment expenses .....	129,868,301	84,714,383	5,075,673	2,561,781	633,908	16,767,590	51,186,777	0	(31,071,811)	
20. General administrative expenses .....	390,664,518	254,834,173	15,268,423	7,706,239	1,906,896	50,439,545	153,977,868	0	(93,468,626)	
21. Increase in reserves for accident and health contracts .....	(3,283,503)	(5,776,064)	2,492,561							XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	4,864,757,021	2,349,709,830	114,076,612	39,487,058	12,102,171	1,012,668,374	1,317,026,356	(161)	19,686,781	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....	390,644,189	190,926,624	8,081,541	4,931,150	1,289,993	17,472,360	11,599,791	161	155,642,569	700,000
DETAILS OF WRITE-INS .....										XXX
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	XXX
0601. Gain on premium tax credit .....	700,000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	700,000
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	700,000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	700,000
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	2,550,972,714		939,494	2,550,033,220
2. Medicare Supplement .....	121,156,477			121,156,477
3. Dental only .....	44,514,170			44,514,170
4. Vision only .....	13,418,112			13,418,112
5. Federal Employees Health Benefits Plan .....	1,030,140,734			1,030,140,734
6. Title XVIII - Medicare .....	1,336,630,223			1,336,630,223
7. Title XIX - Medicaid .....	0			0
8. Other health .....	175,329,350			175,329,350
9. Health subtotal (Lines 1 through 8) .....	5,272,161,780	0	939,494	5,271,222,286
10. Life .....	0			0
11. Property/casualty .....	0			0
12. Totals (Lines 9 to 11)	5,272,161,780	0	939,494	5,271,222,286

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	4,344,587,643	2,050,001,374	90,173,060	29,279,896	9,369,697	934,505,543	1,084,061,130	869	147,196,074	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	21,518,346	21,518,346								
1.4 Net	4,323,069,297	2,028,483,028	90,173,060	29,279,896	9,369,697	934,505,543	1,084,061,130	869	147,196,074	0
2. Paid medical incentive pools and bonuses	22,119,013	10,889,801				3,953,418	7,275,794			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	515,536,552	229,195,764	12,142,903	1,867,423	658,126	111,698,358	141,424,316	3,440	18,546,222	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	2,343,905	2,343,905	0	0	0	0	0	0	0	0
3.4 Net	513,192,647	226,851,859	12,142,903	1,867,423	658,126	111,698,358	141,424,316	3,440	18,546,222	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	102,688	251	25,749			76,688				
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	102,688	251	25,749	0	0	76,688	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	11,308,579	1,230,137				355,262	9,723,180			
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	519,199,972	252,171,256	11,076,179	1,928,281	466,456	103,709,949	128,328,303	4,470	21,515,078	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	3,702,351	3,702,351	0	0	0	0	0	0	0	0
8.4 Net	515,497,621	248,468,905	11,076,179	1,928,281	466,456	103,709,949	128,328,303	4,470	21,515,078	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	103,225	828	25,578			76,819				
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	103,225	828	25,578	0	0	76,819	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	6,683,673	3,048,004				1,341,261	2,294,408			
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	4,340,923,686	2,027,025,305	91,239,955	29,219,038	9,561,367	942,493,821	1,097,157,143	(161)	144,227,218	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	20,159,900	20,159,900	0	0	0	0	0	0	0	0
12.4 Net	4,320,763,786	2,006,865,405	91,239,955	29,219,038	9,561,367	942,493,821	1,097,157,143	(161)	144,227,218	0
13. Incurred medical incentive pools and bonuses	26,743,919	9,071,934	0	0	0	2,967,419	14,704,566	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	226,972,239	95,602,193	2,964,692	554,118	652,176	60,159,820	66,971,083	3,440	64,717	
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	0									
1.4 Net .....	226,972,239	95,602,193	2,964,692	554,118	652,176	60,159,820	66,971,083	3,440	64,717	0
2. Incurred but Unreported:										
2.1 Direct .....	288,564,313	133,593,571	9,178,211	1,313,305	5,950	51,538,538	74,453,233	0	18,481,505	
2.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	
2.3 Reinsurance ceded .....	2,343,905	2,343,905	0	0	0	0	0	0	0	
2.4 Net .....	286,220,408	131,249,666	9,178,211	1,313,305	5,950	51,538,538	74,453,233	0	18,481,505	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	0									
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net .....	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct .....	515,536,552	229,195,764	12,142,903	1,867,423	658,126	111,698,358	141,424,316	3,440	18,546,222	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	2,343,905	2,343,905	0	0	0	0	0	0	0	0
4.4 Net .....	513,192,647	226,851,859	12,142,903	1,867,423	658,126	111,698,358	141,424,316	3,440	18,546,222	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....	211,361,914	1,859,193,263	8,639,132	218,212,978	220,001,046	248,469,733
2. Medicare Supplement .....	10,794,401	79,725,065	134,267	12,034,386	10,928,668	11,101,757
3. Dental Only .....	1,435,930	27,921,999	19,002	1,848,421	1,454,932	1,928,281
4. Vision Only .....	600,546	8,780,298	234	657,893	600,780	466,456
5. Federal Employees Health Benefits Plan .....	108,299,658	827,678,997	406,503	111,368,543	108,706,161	103,786,768
6. Title XVIII - Medicare .....	106,943,421	1,011,901,413	3,797,982	137,626,334	110,741,403	128,328,302
7. Title XIX - Medicaid .....	869	0	3,440	0	4,309	4,470
8. Other health .....	12,670,422	134,527,038	300,047	18,246,175	12,970,469	21,515,078
9. Health subtotal (Lines 1 to 8) .....	452,107,161	3,949,728,073	13,300,607	499,994,730	465,407,768	515,600,845
10. Healthcare receivables (a) .....	1,558,120	77,207,818	0	0	1,558,120	0
11. Other non-health .....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts .....	8,227,497	13,891,515	394,585	10,913,993	8,622,082	6,683,673
13. Totals (Lines 9 - 10 + 11 + 12)	458,776,538	3,886,411,770	13,695,192	510,908,723	472,471,730	522,284,518

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	208,059	207,809	206,591	206,353	206,353
2.	2011 .....	2,182,033	2,391,574	2,395,070	2,394,028	2,394,018
3.	2012 .....	XXX	2,059,504	2,243,101	2,247,577	2,248,193
4.	2013 .....	XXX	XXX	2,007,743	2,191,660	2,196,137
5.	2014 .....	XXX	XXX	XXX	1,921,770	2,131,951
6.	2015 .....	XXX	XXX	XXX	XXX	1,824,108

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	209,568	208,514	206,733	206,379	206,353
2.	2011 .....	2,418,156	2,398,422	2,395,391	2,394,164	2,394,073
3.	2012 .....	XXX	2,282,699	2,250,576	2,248,980	2,248,272
4.	2013 .....	XXX	XXX	2,224,038	2,200,501	2,197,083
5.	2014 .....	XXX	XXX	XXX	2,162,881	2,139,600
6.	2015 .....	XXX	XXX	XXX	XXX	2,043,462

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

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2011 .....	2,977,019	2,394,018	48,536	2.0	2,442,554	82.0	55	2	2,442,611	82.0
2. 2012 .....	2,792,393	2,248,193	74,976	3.3	2,323,169	83.2	79	3	2,323,251	83.2
3. 2013 .....	2,759,124	2,196,137	80,928	3.7	2,277,065	82.5	946	33	2,278,044	82.6
4. 2014 .....	2,747,460	2,131,951	77,901	3.7	2,209,852	80.4	7,648	260	2,217,760	80.7
5. 2015 .....	2,540,636	1,824,108	74,386	4.1	1,898,494	74.7	219,354	7,514	2,125,362	83.7



UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	10,236	10,388	10,341	10,334	10,334
2.	2011 .....	69,113	80,243	80,479	80,504	80,509
3.	2012 .....	XXX	77,880	87,769	87,654	87,613
4.	2013 .....	XXX	XXX	78,593	88,768	88,749
5.	2014 .....	XXX	XXX	XXX	79,228	90,062
6.	2015 .....	XXX	XXX	XXX	XXX	79,394

Section B - Incurred Health Claims - Medicare Supplement

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	10,260	10,387	10,328	10,334	10,334
2.	2011 .....	80,826	80,398	80,576	80,506	80,630
3.	2012 .....	XXX	90,597	87,784	87,654	87,613
4.	2013 .....	XXX	XXX	89,560	88,775	88,749
5.	2014 .....	XXX	XXX	XXX	90,320	90,076
6.	2015 .....	XXX	XXX	XXX	XXX	91,429

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

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2011 .....	109,259	80,509	3,171	3.9	83,680	76.6	121	4	83,805	76.7
2. 2012 .....	117,864	87,613	4,993	5.7	92,606	78.6	0	0	92,606	78.6
3. 2013 .....	122,692	88,749	5,263	5.9	94,012	76.6	0	0	94,012	76.6
4. 2014 .....	121,221	90,062	4,108	4.6	94,170	77.7	14	0	94,184	77.7
5. 2015 .....	122,158	79,394	4,345	5.5	83,739	68.5	12,034	417	96,190	78.7

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	1, 157	1, 184	1, 184	1, 184	1, 184
2.	2011 .....	20, 313	21, 451	21, 455	21, 457	21, 457
3.	2012 .....	XXX	22, 423	23, 456	23, 469	23, 468
4.	2013 .....	XXX	XXX	24, 771	26, 288	26, 303
5.	2014 .....	XXX	XXX	XXX	25, 889	27, 307
6.	2015 .....	XXX	XXX	XXX	XXX	27, 849

Section B - Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	1, 181	1, 185	1, 184	1, 184	1, 184
2.	2011 .....	21, 535	21, 461	21, 455	21, 457	21, 457
3.	2012 .....	XXX	23, 837	23, 464	23, 470	23, 468
4.	2013 .....	XXX	XXX	26, 365	26, 309	26, 303
5.	2014 .....	XXX	XXX	XXX	27, 794	27, 325
6.	2015 .....	XXX	XXX	XXX	XXX	29, 697

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

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2011 .....	33, 556	21, 457	993	4.6	22, 450	66.9	0	0	22, 450	66.9
2. 2012 .....	36, 528	23, 468	642	2.7	24, 110	66.0	0	0	24, 110	66.0
3. 2013 .....	39, 365	26, 303	2, 198	8.4	28, 501	72.4	0	0	28, 501	72.4
4. 2014 .....	44, 031	27, 307	2, 229	8.2	29, 536	67.1	19	1	29, 556	67.1
5. 2015 .....	44, 418	27, 849	2, 266	8.1	30, 115	67.8	1, 848	57	32, 020	72.1

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	295	296	296	296	296
2.	2011 .....	3,166	3,449	3,449	3,449	3,449
3.	2012 .....	XXX	4,981	5,242	5,242	5,242
4.	2013 .....	XXX	XXX	4,838	5,209	5,209
5.	2014 .....	XXX	XXX	XXX	9,313	9,912
6.	2015 .....	XXX	XXX	XXX	XXX	8,770

Section B - Incurred Health Claims - Vision Only

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	297	296	296	296	296
2.	2011 .....	3,396	3,449	3,449	3,449	3,449
3.	2012 .....	XXX	5,245	5,242	5,242	5,242
4.	2013 .....	XXX	XXX	5,128	5,209	5,209
5.	2014 .....	XXX	XXX	XXX	9,779	9,913
6.	2015 .....	XXX	XXX	XXX	XXX	9,428

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

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2011 .....	5,891	3,449	165	4.8	3,614	61.3	0	0	3,614	61.3
2. 2012 .....	7,868	5,242	340	6.5	5,582	70.9	0	0	5,582	70.9
3. 2013 .....	8,874	5,209	453	8.7	5,662	63.8	0	0	5,662	63.8
4. 2014 .....	15,657	9,912	546	5.5	10,458	66.8	0	0	10,458	66.8
5. 2015 .....	13,392	8,770	550	6.3	9,320	69.6	658	21	9,999	74.7

UNDERWRITING AND INVESTMENT EXHIBIT

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

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	(92)	(92)	(93)	(93)	(93)
2.	2011 .....	0				0
3.	2012 .....	XXX	710,199	797,360	798,364	798,112
4.	2013 .....	XXX	XXX	753,163	847,491	848,067
5.	2014 .....	XXX	XXX	XXX	782,069	891,702
6.	2015 .....	XXX	XXX	XXX	XXX	828,503

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	(92)	(92)	(93)	(93)	(93)
2.	2011 .....	0			0	2
3.	2012 .....	XXX	808,685	799,411	798,530	798,112
4.	2013 .....	XXX	XXX	858,674	848,677	848,083
5.	2014 .....	XXX	XXX	XXX	885,843	892,114
6.	2015 .....	XXX	XXX	XXX	XXX	940,203

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

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2011 .....	(256)	0	0	0.0	0	0.0	2	0	2	(0.8)
2. 2012 .....	853,095	798,112	8,066	1.0	806,178	94.5	0	0	806,178	94.5
3. 2013 .....	896,059	848,067	11,352	1.3	859,419	95.9	16	1	859,436	95.9
4. 2014 .....	944,793	891,702	13,252	1.5	904,954	95.8	412	14	905,380	95.8
5. 2015 .....	1,030,141	828,503	14,519	1.8	843,022	81.8	111,700	3,898	958,620	93.1

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	95,760	96,693	96,778	96,679	96,679
2.	2011 .....	935,291	1,057,022	1,061,656	1,061,514	1,061,422
3.	2012 .....	XXX	1,022,147	1,131,179	1,132,813	1,131,890
4.	2013 .....	XXX	XXX	887,508	979,677	978,458
5.	2014 .....	XXX	XXX	XXX	986,406	1,096,716
6.	2015 .....	XXX	XXX	XXX	XXX	983,262

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	96,817	96,817	96,778	96,679	96,679
2.	2011 .....	1,079,168	1,063,066	1,061,675	1,061,516	1,062,302
3.	2012 .....	XXX	1,148,634	1,134,361	1,132,814	1,131,890
4.	2013 .....	XXX	XXX	998,599	984,312	978,465
5.	2014 .....	XXX	XXX	XXX	1,112,391	1,099,908
6.	2015 .....	XXX	XXX	XXX	XXX	1,130,329

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

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2011 .....	1,301,523	1,061,422	16,357	1.5	1,077,779	82.8	880	30	1,078,689	82.9
2. 2012 .....	1,314,246	1,131,890	25,300	2.2	1,157,190	88.0	0	0	1,157,190	88.0
3. 2013 .....	1,146,441	978,458	33,490	3.4	1,011,948	88.3	8	0	1,011,956	88.3
4. 2014 .....	1,278,799	1,096,716	37,183	3.4	1,133,899	88.7	3,192	99	1,137,190	88.9
5. 2015 .....	1,328,626	983,262	44,234	4.5	1,027,496	77.3	147,068	4,674	1,179,238	88.8

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	5,574	5,555	5,526	5,492	5,492
2.	2011 .....					1
3.	2012 .....	XXX				
4.	2013 .....	XXX	XXX			
5.	2014 .....	XXX	XXX	XXX		
6.	2015 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	5,574	5,555	5,526	5,492	5,492
2.	2011 .....	4	4	4	4	4
3.	2012 .....	XXX				
4.	2013 .....	XXX	XXX			
5.	2014 .....	XXX	XXX	XXX		
6.	2015 .....	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2011 .....	(50)	1		0.0	1	(2.0)	3		4	(8.0)
2. 2012 .....				0.0	0	0.0			0	0.0
3. 2013 .....				0.0	0	0.0			0	0.0
4. 2014 .....				0.0	0	0.0			0	0.0
5. 2015 .....				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	.6,276	.6,275	.6,276	.6,276	.6,276
2.	2011 .....	71,213	75,167	75,167	75,167	75,167
3.	2012 .....	XXX	87,535	95,001	95,001	95,001
4.	2013 .....	XXX	XXX	107,230	119,063	119,069
5.	2014 .....	XXX	XXX	XXX	108,886	121,550
6.	2015 .....	XXX	XXX	XXX	XXX	134,526

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	.6,278	.6,275	.6,276	.6,276	.6,276
2.	2011 .....	77,985	75,167	75,167	75,167	75,167
3.	2012 .....	XXX	93,259	95,001	95,001	95,001
4.	2013 .....	XXX	XXX	117,134	120,196	119,069
5.	2014 .....	XXX	XXX	XXX	129,268	121,850
6.	2015 .....	XXX	XXX	XXX	XXX	152,772

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

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2011 .....	90,232	75,167	965	1.3	76,132	84.4	0	0	76,132	84.4
2. 2012 .....	107,545	95,001	395	0.4	95,396	88.7	0	0	95,396	88.7
3. 2013 .....	129,603	119,069	359	0.3	119,428	92.1	0	0	119,428	92.1
4. 2014 .....	157,260	121,550	134	0.1	121,684	77.4	300	10	121,994	77.6
5. 2015 .....	175,329	134,526	670	0.5	135,196	77.1	18,246	638	154,080	87.9

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	327,265	328,108	326,899	326,521	326,521
2.	2011 .....	3,281,129	3,628,906	3,637,276	3,636,119	3,636,023
3.	2012 .....	XXX	3,984,669	4,383,108	4,390,120	4,389,519
4.	2013 .....	XXX	XXX	3,863,846	4,258,156	4,261,992
5.	2014 .....	XXX	XXX	XXX	3,913,561	4,369,200
6.	2015 .....	XXX	XXX	XXX	XXX	3,886,412

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior .....	329,883	328,937	327,028	326,547	326,521
2.	2011 .....	3,681,070	3,641,967	3,637,717	3,636,263	3,637,084
3.	2012 .....	XXX	4,452,956	4,395,839	4,391,691	4,389,598
4.	2013 .....	XXX	XXX	4,319,498	4,273,979	4,262,961
5.	2014 .....	XXX	XXX	XXX	4,418,276	4,380,786
6.	2015 .....	XXX	XXX	XXX	XXX	4,397,320

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

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2011 .....	4,517,174	3,636,023	70,187	1.9	3,706,210	82.0	1,061	36	3,707,307	82.1
2. 2012 .....	5,229,539	4,389,519	114,712	2.6	4,504,231	86.1	79	3	4,504,313	86.1
3. 2013 .....	5,102,158	4,261,992	134,043	3.1	4,396,035	86.2	970	34	4,397,039	86.2
4. 2014 .....	5,309,221	4,369,200	135,353	3.1	4,504,553	84.8	11,585	384	4,516,522	85.1
5. 2015 .....	5,254,700	3,886,412	140,970	3.6	4,027,382	76.6	510,908	17,219	4,555,509	86.7



UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	680,220	264,657	0	409,760	5,804	0	0		
2. Additional policy reserves (a) .....	26,345,553	8,890,699	17,454,854	0	0	0	0		
3. Reserve for future contingent benefits .....	0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... ) for investment income .....	18,594,586	8,406,691	2,343,532	0	0	0	7,844,363		
5. Aggregate write-ins for other policy reserves .....	4,290,317	4,092,881	0	0	0	0	197,436	0	0
6. Totals (gross) .....	49,910,676	21,654,928	19,798,386	409,760	5,804	0	8,041,799	0	0
7. Reinsurance ceded .....	0								
8. Totals (Net)(Page 3, Line 4) .....	49,910,676	21,654,928	19,798,386	409,760	5,804	0	8,041,799	0	0
9. Present value of amounts not yet due on claims .....	0								
10. Reserve for future contingent benefits .....	102,688	251	25,749	0	0	76,688			
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	102,688	251	25,749	0	0	76,688	0	0	0
13. Reinsurance ceded .....	0								
14. Totals (Net)(Page 3, Line 7) .....	102,688	251	25,749	0	0	76,688	0	0	0
DETAILS OF WRITE-INS									
0501. Policy reserves subject to redetermination .....	4,290,317	4,092,881	0	0	0	0	197,436		
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	4,290,317	4,092,881	0	0	0	0	197,436	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) .....	0	0	0	0	0	0	0	0	0

(a) Includes \$ ..... premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ .....4,367,886 for occupancy of own building) .....	4,798,690	3,864,294	4,504,095	13,998	13,181,077
2. Salary, wages and other benefits .....	105,932,201	75,051,903	153,970,608	478,520	335,433,232
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....	0	0	135,239,571	0	135,239,571
4. Legal fees and expenses .....	84,467	28,606	1,278,702	3,974	1,395,749
5. Certifications and accreditation fees .....	0	0	0	0	0
6. Auditing, actuarial and other consulting services ....	20,690,484	5,037,173	45,322,587	140,856	71,191,100
7. Traveling expenses .....	963,562	230,891	3,685,294	11,453	4,891,200
8. Marketing and advertising .....	878,325	20,939	23,877,238	74,207	24,850,709
9. Postage, express and telephone .....	3,420,020	4,333,540	11,336,204	35,231	19,124,995
10. Printing and office supplies .....	559,659	144,914	736,802	2,290	1,443,665
11. Occupancy, depreciation and amortization .....	0	0	0	0	0
12. Equipment .....	152,445	127,774	1,436,326	4,464	1,721,009
13. Cost or depreciation of EDP equipment and software .....	22,310,997	2,843,441	12,410,736	38,571	37,603,745
14. Outsourced services including EDP, claims, and other services .....	46,855,642	37,245,008	35,354,204	109,876	119,564,730
15. Boards, bureaus and association fees .....	93,901	0	1,969,747	6,122	2,069,770
16. Insurance, except on real estate .....	0	0	2,049,006	6,368	2,055,374
17. Collection and bank service charges .....	0	20,849	1,910,540	5,938	1,937,327
18. Group service and administration fees .....	12,588,955	18,825,328	10,781,846	33,509	42,229,638
19. Reimbursements by uninsured plans .....	(156,147,271)	(99,855,444)	(226,572,402)	0	(482,575,117)
20. Reimbursements from fiscal intermediaries .....	0	0	0	0	0
21. Real estate expenses .....	142,401	9,895	3,629,418	11,280	3,792,994
22. Real estate taxes .....	0	0	624,352	0	624,352
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....	2,162	30	224,651	0	226,843
23.2 State premium taxes .....	0	0	23,467,625	0	23,467,625
23.3 Regulatory authority licenses and fees .....	36,435	2,698	1,155,255	0	1,194,388
23.4 Payroll taxes .....	6,764,277	4,769,611	9,396,862	0	20,930,750
23.5 Other (excluding federal income and real estate taxes) .....	0	0	125,316,144	0	125,316,144
24. Investment expenses not included elsewhere .....				3,100,703	3,100,703
25. Aggregate write-ins for expenses .....	366,111	6,673,389	7,559,107	23,493	14,622,100
26. Total expenses incurred (Lines 1 to 25) .....	70,493,463	59,374,839	390,664,518	4,100,853	(a) .....524,633,673
27. Less expenses unpaid December 31, current year ..	9,597,787	8,077,696	52,864,047		70,539,530
28. Add expenses unpaid December 31, prior year .....	11,110,530	9,053,771	57,543,039		77,707,340
29. Amounts receivable relating to uninsured plans, prior year .....			243,199,876		243,199,876
30. Amounts receivable relating to uninsured plans, current year .....			245,490,117		245,490,117
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	72,006,206	60,350,914	397,633,751	4,100,853	534,091,724
DETAILS OF WRITE-INS					
2501. Other expense .....	366,111	6,673,389	7,559,107	23,493	14,622,100
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	366,111	6,673,389	7,559,107	23,493	14,622,100

(a) Includes management fees of \$ .....737,471,766 to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds .....	(a) .....1,105,615	.....1,258,990
1.1	Bonds exempt from U.S. tax .....	(a) .....	.....
1.2	Other bonds (unaffiliated) .....	(a) .....39,345,455	.....39,654,971
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....8,153,931	.....8,152,842
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c) .....	.....
4.	Real estate .....	(d) .....3,943,393	.....3,943,393
5	Contract Loans .....	.....	.....
6	Cash, cash equivalents and short-term investments .....	(e) .....94,472	.....55,522
7	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....869,854	.....892,746
10.	Total gross investment income .....	53,512,719	53,958,463
11.	Investment expenses .....		(g) .....4,100,853
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....0
13.	Interest expense .....		(h) .....277,708
14.	Depreciation on real estate and other invested assets .....		(i) .....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....4,378,561
17.	Net investment income (Line 10 minus Line 16)		49,579,902
DETAILS OF WRITE-INS			
0901.	Miscellaneous Income .....	.....278,465	.....278,465
0902.	Securities Lending .....	.....591,389	.....614,281
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	869,854	892,746
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ .....590,570 accrual of discount less \$ .....7,042,398 amortization of premium and less \$ .....1,776,145 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ .....139 accrual of discount less \$ .....5,058 amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$. ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	289,973	0	289,973	0	0
1.1	Bonds exempt from U.S. tax .....	.....	.....	0	.....	.....
1.2	Other bonds (unaffiliated) .....	(1,884,581)	(2,726,354)	(4,610,935)	(6,968,966)	0
1.3	Bonds of affiliates .....	0	0	0	0	0
2.1	Preferred stocks (unaffiliated) .....	0	0	0	0	0
2.11	Preferred stocks of affiliates .....	0	0	0	0	0
2.2	Common stocks (unaffiliated) .....	22,363,798	(8,375,226)	13,988,572	(36,553,262)	0
2.21	Common stocks of affiliates .....	0	0	0	0	0
3.	Mortgage loans .....	.....	0	0	0	0
4.	Real estate .....	.....	0	0	.....	0
5.	Contract loans .....	.....	.....	0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	0	.....	.....
7.	Derivative instruments .....	.....	.....	0	.....	.....
8.	Other invested assets .....	0	0	0	(1,480,295)	0
9.	Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10.	Total capital gains (losses)	20,769,190	(11,101,580)	9,667,610	(45,002,523)	0
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,674,525	1,586,961	(87,564)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....	34,546,449	25,402,955	(9,143,494)
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....			0
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....			0
21. Furniture and equipment, including health care delivery assets .....	3,605,841	2,676,764	(929,077)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	49,460,663	35,597,891	(13,862,772)
25. Aggregate write-ins for other than invested assets .....	1,080,412	1,100,945	20,533
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	90,367,890	66,365,516	(24,002,374)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	90,367,890	66,365,516	(24,002,374)
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Other miscellaneous accounts receivable .....	1,080,412	1,100,945	20,533
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	1,080,412	1,100,945	20,533

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 .....	114,003	124,375	124,116	129,499	130,319	1,538,083
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....	1,609,367	1,563,499	1,670,366	1,350,093	1,354,138	16,413,319
4. Point of Service .....						
5. Indemnity Only .....	52,836	55,152	52,646	54,669	54,372	659,048
6. Aggregate write-ins for other lines of business.....	198,535	324,956	181,404	316,259	315,308	3,824,616
7. Total	1,974,741	2,067,982	2,028,532	1,850,520	1,854,137	22,435,066
DETAILS OF WRITE-INS						
0601. Consumer Driven Health Plan .....	198,535	324,956	181,404	316,259	315,308	3,824,616
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	198,535	324,956	181,404	316,259	315,308	3,824,616

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

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

	State of Domicile	2015	2014
<b><u>Net Income</u></b>			
(1) Community Insurance Company state basis (Page 4, Line 32, Columns 2 & 3)	Ohio	\$ 266,266,380	\$ 276,872,294
(2) State Prescribed Practices that increase/ (decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/ (decrease) NAIC SAP:		—	—
(4) NAIC SAP (1-2-3=4)	Ohio	\$ 266,266,380	\$ 276,872,294
<b><u>Surplus</u></b>			
(5) Community Insurance Company state basis (Page 3, Line 33, Columns 3 & 4)	Ohio	\$ 754,139,318	\$ 812,152,476
(6) State Prescribed Practices that increase/ (decrease) NAIC SAP:		—	—
(7) State Permitted Practices that increase/ (decrease) NAIC SAP:		—	—
(8) NAIC SAP (5-6-7=8)	Ohio	\$ 754,139,318	\$ 812,152,476

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

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

C. Accounting Policies

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

In addition, the Company uses the following accounting policies:

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

- Non-investment grade short-term investments are stated at the lower of amortized cost or fair value.
2. Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the modified scientific method, using lower of yield to call or yield to maturity. Non-investment grade bonds are stated at the lower of amortized cost or fair value as determined by various third-party pricing sources.
  3. Common stocks of unaffiliated companies are stated at fair, as determined by various third-party pricing sources.
  4. The Company has no investments in preferred stocks.
  5. The Company has no mortgage loans - real estate.
  6. Loan-backed securities are stated at amortized cost. Prepayment assumptions for loan-backed securities and structured securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.
  7. The Company has ownership interests in unaffiliated joint ventures. The Company reports these interests as Other Long-Term Invested Assets on Schedule BA. The Company carries these investments based on the Company's interest in the underlying audited GAAP equity at December 31, 2015. The Company reports the net change in the equity as a change in net unrealized capital gains and losses.
  8. The Company has no derivative instruments.
  9. The Company does not anticipate investment income as a factor in premium deficiency calculations.
  10. Unpaid claims and claims adjustment expenses include management's best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and changes in estimates are incorporated into current period estimates.
  11. The Company has not modified its capitalization policy from the prior period.
  12. Pharmacy rebate receivables are recorded when earned based upon actual rebate receivables billed and an estimate of receivables based upon current utilization of specific pharmaceuticals and provider contract terms.
  13. Service fees earned from providing administrative services to self-insured customers are deducted from operating expenses, and related claim payments and subsequent reimbursements of those claim payments are excluded from net income.
  14. The Company records a liability for future policy benefits relating to certain individual product contracts. The liability represents the present value of future benefits to be paid to or on behalf of policy holders and related expenses less the present value of future net premiums. Changes in the liability for future benefits are reported as a component of net income in the period in which the change occurs.
  15. Premium under the Federal Employee Program ("FEP") is earned when chargeable benefit costs, allowable expenses and retentions are incurred. Deferred premiums are recorded to offset the FEP liabilities for incurred claims but not reported and claims adjustment expenses that are due from the Office of Personnel Management ("OPM"), when the claims are ultimately paid.

**D. Going Concern**

Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

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

There were no accounting changes or corrections of errors during the years ended December 31, 2015 and 2014.

**3. Business Combinations and Goodwill**

**A. Statutory Purchase Method**

Not applicable.

**B. Statutory Merger**

Not applicable.

**C. Assumption Reinsurance**

Not applicable.

**D. Impairment Loss**

Not applicable.

**4. Discontinued Operations**

Not applicable.

**5. Investments**

**A. Mortgage Loans, including Mezzanine Real Estate Loans**

The Company did not have investments in mortgage loans at December 31, 2015 or 2014.

**B. Debt Restructuring**

The Company did not have invested assets that were restructured debt at December 31, 2015 or 2014.

**C. Reverse Mortgages**

The Company did not have investments in reverse mortgages at December 31, 2015 or 2014.

**D. Loan-Backed Securities**

1. Prepayment assumptions for single-class and multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates. The Company used various third-party pricing sources in determining the market value of its loan-backed securities.
2. The Company did not recognize other-than-temporary impairments on its loan-backed securities during the years ended December 31, 2015 and 2014.
3. The Company did not hold other-than-temporary impairments on its loan-backed securities at December 31, 2015 and 2014.
4. The Company had no impaired securities for which an other-than-temporary impairment had not been recognized in earnings as a realized loss at December 31, 2015 and 2014.
5. The Company had no impaired loan-backed securities at December 31, 2015 and 2014.

**E. Repurchase Agreements and/or Securities Lending Transactions**

1. The Company did not enter into repurchase agreements at December 31, 2015 or 2014.



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

2. The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers based on, among other things, their creditworthiness in exchange for collateral initially equal to at least 102% of the market value of the loaned securities. The Company receives the collateral in cash or securities, and if cash is received the cash collateral is thereafter invested according to guidelines of the Company’s Investment Policy.

3. Collateral Received

a. Aggregate amount collateral received	
1. Repurchase agreement - Not applicable.	
	<b><u>Fair Value</u></b>
2. Securities Lending	
(a) Open	\$ 135,459,374
(b) 30 days or less	—
(c) 31 to 60 days	—
(d) 61 to 90 days	—
(e) Greater than 90 days	—
(f) Sub-total	135,459,374
(g) Securities received	5,096,596
(h) Total collateral received	<u>\$ 140,555,970</u>
3. Dollar repurchase agreement - Not applicable.	
b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	<u>\$ 140,555,970</u>
c. The Company receives cash collateral in an amount in excess of fair value of the securities lent. The Company reinvests the cash collateral into short-term investments.	

4. Not applicable.

5. Collateral Reinvestment

a. Aggregate amount collateral reinvested		
1. Repurchase agreement - Not applicable.		
2. Securities Lending	<b><u>Amortized Cost</u></b>	<b><u>Fair Value</u></b>
(a) Open	\$ 21,197,634	\$ 21,197,634
(b) 30 days or less	171,731	175,531
(c) 31 to 60 days	1,900,000	1,899,193
(d) 61 to 90 days	10,334,966	10,329,591
(e) 91 to 120 days	3,600,053	3,599,371
(f) 121 to 180 days	9,592,219	9,590,385
(g) 181 to 365 days	29,316,772	29,293,773
(h) 1 to 2 years	19,216,300	19,192,120
(i) 2 to 3 years	19,638,180	19,623,259
(j) Greater than 3 years	20,603,442	20,558,517
(k) Sub-total	135,571,297	135,459,374
(l) Securities received	5,096,596	5,096,596
(m) Total collateral reinvested	<u>\$ 140,667,893</u>	<u>\$ 140,555,970</u>
3. Dollar repurchase agreement - Not applicable.		

b. Not applicable.

6. Not applicable.

7. Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

F. Real Estate

1. The Company did not recognize any impairment losses on its investment real estate at December 31, 2015 or 2014.
2.
  - a. On November 7, 2014, the Company sold a property located in Mason, Ohio for \$22,500,000. The Company has an agreement to lease back that property for 12 years.
  - b. The Company recognized a gain of \$6,447,711 on the sale of the building. The gain is deferred in a special surplus account and is being amortized to income over the period of the lease.
3. Not applicable.
4. The Company did not engage in retail land sales operations during 2015 or 2014.
5. Not applicable.

G. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during 2015 or 2014.

H. Restricted Assets

1. Restricted assets (including pledged)

		1	2	3	4	5	6
Restricted Asset Category		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	140,667,893	164,059,075	(23,391,182)	140,667,893	6.5%	6.7%
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 option contracts	—	—	—	—	—%	—%
h.	Letter stock or securities restricted as to sale-excluding FHLB capital stock	—	—	—	—	—%	—%
i.	FHLB capital stock	6,538,800	6,538,800	—	6,538,800	0.3%	0.3%
j.	On deposit with states	485,505	400,218	85,287	485,505	—%	—%
k.	On deposit with other regulatory bodies	—	—	—	—	—%	—%
l.	Pledged as collateral to FHLB (including assets backing funding agreements)	159,658,411	150,073,082	9,585,329	159,658,411	7.3%	7.6%
m.	Pledged as collateral not captured in other categories	—	—	—	—	—%	—%
n.	Other restricted assets	—	—	—	—	—%	—%
o.	Total Restricted Assets	\$ 307,350,609	\$ 321,071,175	\$ (13,720,566)	\$ 307,350,609	14.1%	14.6%

2. Not applicable.

3. Not applicable.

I. Working Capital Finance Investments

Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

J. Offsetting and Netting of Assets and Liabilities

The Company did not have any offsetting or netting of assets and liabilities at December 31, 2015 and 2014.

K. Structured Notes

The Company did not have any structured notes at December 31, 2015 and 2014.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceeded 10% of its admitted assets at December 31, 2015 or 2014.
- B. The Company did not recognize any impairment write downs for its investments in joint ventures, partnerships, or limited liability companies during 2015 or 2014.

7. Investment Income

- A. All investment income due and accrued with amounts that are over 90 days past due is non-admitted.
- B. At December 31, 2015 and 2014 all accrued investment income was admitted.

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

- A. The components of net deferred tax assets (liabilities):

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

				12/31/2015		
				(1)	(2)	(3)
				Ordinary	Capital	(Col 1+2) Total
(a)	Gross Deferred Tax Assets		\$	79,366,251	\$ —	\$ 79,366,251
(b)	Statutory Valuation Allowance Adjustments			—	—	—
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)			79,366,251	—	79,366,251
(d)	Deferred Tax Assets Nonadmitted			—	—	—
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)			79,366,251	—	79,366,251
(f)	Deferred Tax Liabilities			77,967	18,213,954	18,291,921
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)			\$ 79,288,284	\$ (18,213,954)	\$ 61,074,330

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

12/31/2014			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
(a) Gross Deferred Tax Assets	\$ 73,605,239	\$ —	\$ 73,605,239
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	73,605,239	—	73,605,239
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	73,605,239	—	73,605,239
(f) Deferred Tax Liabilities	29,633	34,925,678	34,955,311
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 73,575,606	\$ (34,925,678)	\$ 38,649,928

Change			
(7)	(8)	(9)	
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
(a) Gross Deferred Tax Assets	\$ 5,761,012	\$ —	\$ 5,761,012
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	5,761,012	—	5,761,012
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	5,761,012	—	5,761,012
(f) Deferred Tax Liabilities	48,334	(16,711,724)	(16,663,390)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 5,712,678	\$ 16,711,724	\$ 22,424,402

2. The amount of admitted adjusted gross deferred tax assets under each component of SSAP No. 101, *Income Taxes - A Replacement of SSAP No. 10R and SSAP 10* ("SSAP No. 101") as of December 31 is as follows:

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

12/31/2015		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 66,867,173	\$ —	\$ 66,867,173
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	2,451,285	—	2,451,285
1.	Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	2,451,285	—	2,451,285
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	103,959,703
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	10,047,793	—	10,047,793
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 79,366,251	\$ —	\$ 79,366,251

12/31/2014		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

Admission Calculation Components SSAP No. 101

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

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total

Admission Calculation Components SSAP No. 101

(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 8,458,285	\$ —	\$ 8,458,285
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	(359,334)	—	(359,334)
1.	Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	(359,334)	—	(359,334)
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	(12,052,444)
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	(2,337,939)	—	(2,337,939)
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 5,761,012	\$ —	\$ 5,761,012

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

3.		2015	2014
(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	390%	431%
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 693,064,690	\$ 773,414,316

4.		12/31/2015		12/31/2014		Change	
		(1)	(2)	(3)	(4)	(5)	(6)
		Ordinary	Capital	Ordinary	Capital	(Col 1-3) Ordinary	(Col 2-4) Capital

Impact of Tax-Planning Strategies

(a)	Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1.	Adjusted Gross DTAs Amount From Note 9A1 (c)	\$ 79,366,251	\$ —	\$ 73,605,239	\$ —	\$ 5,761,012	\$ —
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	—%	—%	—%	—%	—%	—%
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	\$ 79,366,251	\$ —	\$ 73,605,239	\$ —	\$ 5,761,012	\$ —
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	—%	—%	—%	—%	—%	—%
(b)	Does the Company's tax-planning strategies include the use of reinsurance?			Yes		No	X

B. The Company has no unrecognized deferred tax liabilities at December 31, 2015 and 2014.

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

	(1)	(2)	(3)
	12/31/2015	12/31/2014	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 176,669,810	\$ 181,973,149	\$ (181,973,149)
(b) Foreign	—	—	—
(c) Subtotal	176,669,810	181,973,149	(181,973,149)
(d) Federal income tax expense on net capital gains	7,818,637	4,764,052	3,054,585
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred	\$ 184,488,447	\$ 186,737,201	\$ (2,248,754)

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	12/31/2015	12/31/2014	(Col 1-2) Change
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,700,844	\$ 1,849,973	\$ (149,129)
(2) Unearned premium reserve	3,829,858	3,090,234	739,624
(3) Policyholder reserves	11,162,399	10,187,262	975,137
(4) Investments	—	—	—
(5) Deferred acquisition costs	5,772,587	6,013,512	(240,925)
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	424,529	725,561	(301,032)
(8) Compensation and benefits accrual	2,717,207	1,092,182	1,625,025
(9) Pension accrual	—	—	—
(10) Receivables - nonadmitted	32,350,516	24,167,283	8,183,233
(11) Net operating loss carry-forward	—	—	—
(12) Tax credit carry-forward	—	—	—
(13) Other (including items <5% of total ordinary tax assets)	2,030,702	2,360,915	(330,213)
(14) Accrued future expenses	6,343,853	8,178,526	(1,834,673)
(15) Amortization	4,832,822	6,348,089	(1,515,267)
(16) Prepaid expenses	211,284	231,768	(20,484)
(17) State tax liability	7,989,650	9,359,934	(1,370,284)
(99) Subtotal	79,366,251	73,605,239	5,761,012
(b) Statutory valuation allowance adjustment	—	—	—
(c) Nonadmitted	—	—	—
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	79,366,251	73,605,239	5,761,012
(e) Capital:			
(1) Investments	—	—	—
(2) Net capital loss carry-forward	—	—	—
(3) Real estate	—	—	—
(4) Other (including items <5% of total capital tax assets)	—	—	—
(99) Subtotal	—	—	—
(f) Statutory valuation allowance adjustment	—	—	—
(g) Nonadmitted	—	—	—
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	—	—	—
(i) Admitted deferred tax assets (2d + 2h)	\$ 79,366,251	\$ 73,605,239	\$ 5,761,012

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	12/31/2015	12/31/2014	(Col 1-2) Change
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ —	\$ —	\$ —
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other (including items <5% of total ordinary tax liabilities)	—	—	—
(6) Coordination of benefits discount	32,806	29,633	3,173
(7) Building improvements	45,161	—	45,161
(99) Subtotal	77,967	29,633	48,334
(b) Capital:			
(1) Investments	15,539,921	32,603,609	(17,063,688)
(2) Real estate	—	—	—
(3) Other (including items <5% of total capital tax liabilities)	—	—	—
(4) Investment partnership income	2,674,033	2,322,069	351,964
(99) Subtotal	18,213,954	34,925,678	(16,711,724)
(c) Deferred tax liabilities (3a99 + 3b99)	18,291,921	34,955,311	(16,663,390)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 61,074,330	\$ 38,649,928	\$ 22,424,402

**D.** The Company’s income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory income tax rate of 35% for the year ended December 31 as follows:

	2015	2014
Tax expense computed using federal statutory rate	\$ 157,764,189	\$ 162,263,323
Change in nonadmitted assets	(8,400,831)	(3,302,913)
Tax exempt income and dividend received deduction net of proration	(4,799,784)	(5,274,584)
Prior year true-up and adjustments	879,866	(28,297)
Interest (FIT and SIT)	(4,317)	167,027
Tax settlements and contingencies	—	1,651,952
Sale of Radiant Services, LLC.	—	689,689
ACA health insurer fee	31,951,055	25,050,755
Other, net	424,750	130,625
Total	\$ 177,814,928	\$ 181,347,577
Federal income taxes incurred	\$ 184,488,447	\$ 186,737,201
Change in net deferred income taxes	(6,673,519)	(5,389,624)
Total statutory income taxes	\$ 177,814,928	\$ 181,347,577

**E. Operating loss carryforwards:**

1. The Company has no operating loss carryforwards and no tax credit carryforwards as of December 31, 2015.
2. The following are income taxes incurred in the current and prior year(s) that will be available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
2015	\$ 173,580,620	\$ 7,818,637	\$ 181,399,257
2014	187,517,116	4,927,291	192,444,407
2013	N/A	9,196,569	9,196,569



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

3. The Company has no protective tax deposits reported as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2015 and 2014.
- F. The following companies will be included in the consolidated federal income tax return with their parent Anthem, Inc. as of December 31, 2015 and either are current members of the consolidated tax sharing agreement or are in the process of being added to the consolidated tax sharing agreement. Allocation of federal income taxes with affiliates subject to the tax sharing agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

American Imaging Management, Inc.	DeCare Dental Health International, LLC
AMERIGROUP Community Care of New Mexico, Inc.	DeCare Dental Networks, LLC
AMERIGROUP Corporation	DeCare Dental, LLC
AMERIGROUP Florida, Inc.	Designated Agent Company, Inc.
Amerigroup Insurance Company	EHC Benefits Agency, Inc.
AMERIGROUP Iowa, Inc.	Empire HealthChoice Assurance, Inc.
Amerigroup Kansas, Inc.	Empire HealthChoice HMO, Inc.
AMERIGROUP Louisiana, Inc.	Forty-Four Forty-Four Forest Park Redevelopment Corp
AMERIGROUP Maryland, Inc.	Golden West Health Plan, Inc.
AMERIGROUP Nevada, Inc.	Government Health Services, LLC
AMERIGROUP New Jersey, Inc.	Greater Georgia Life Insurance Company
AMERIGROUP Ohio, Inc.	Health Core, Inc.
AMERIGROUP Pennsylvania, Inc.	Health Management Corporation
Amerigroup Services, Inc.	HealthKeepers, Inc.
AMERIGROUP Tennessee, Inc.	HealthLink HMO, Inc.
AMERIGROUP Texas, Inc.	HealthLink, Inc.
AMERIGROUP Washington, Inc.	HealthPlus HP, LLC (fka AMERIGROUP New York, LLC)
AMGP Georgia Managed Care Company, Inc.	Healthy Alliance Life Insurance Company
Anthem Blue Cross Life and Health Insurance Company	HMO Colorado, Inc.
Anthem Financial, Inc.	HMO Missouri, Inc.
Anthem Health Insurance Company of Nevada	Imaging Management Holdings, LLC
Anthem Health Plans of Kentucky, Inc.	Imaging Providers of Texas
Anthem Health Plans of Maine, Inc.	Matthew Thornton Health Plan, Inc.
Anthem Health Plans of New Hampshire, Inc.	National Government Services, Inc.
Anthem Health Plans of Virginia, Inc.	OneNation Insurance Company
Anthem Health Plans, Inc.	Park Square Holdings, Inc.
Anthem Holding Corp.	Park Square I, Inc.
Anthem Insurance Companies, Inc.	Park Square II, Inc.
Anthem Kentucky Managed Care Plan, Inc.	PHP Holdings, Inc.
Anthem Life & Disability Insurance Company	R&P Realty, Inc.
Anthem Southeast, Inc.	Resolution Health, Inc.
Anthem UM Services, Inc.	RightCHOICE Managed Care, Inc.
Anthem, Inc.	Rocky Mountain Hospital and Medical Service, Inc.
Arcus Enterprises, Inc.	SellCore, Inc.
ARCUS HealthyLiving Services, Inc.	Simply Healthcare Holdings, Inc.
Associated Group, Inc.	Simply Healthcare Plans, Inc.
Better Health, Inc.	Southeast Services, Inc.
Blue Cross and Blue Shield of Georgia, Inc.	State Sponsored Business UM Services, Inc.
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	The Anthem Companies of California, Inc.
Blue Cross Blue Shield of Wisconsin	The Anthem Companies, Inc.
Blue Cross of California	Tidgewell Associates, Inc.
Blue Cross of California Partnership Plan, Inc.	TrustSolutions, LLC
CareMore Health Group, Inc.	UNICARE Health Plan of Kansas, Inc.
CareMore Health Plan	UNICARE Health Plan of West Virginia, Inc.
CareMore Health Plan of Arizona, Inc.	UNICARE Health Plans of Texas, Inc.
CareMore Health Plan of Colorado, Inc.	UNICARE Illinois Services, Inc.
CareMore Health Plan of Georgia, Inc.	UNICARE Life & Health Insurance Company
CareMore Health Plan of Nevada	UNICARE National Services, Inc.
CareMore Health Plan of Texas, Inc.	UNICARE Specialty Services, Inc.
CareMore Health System	UtiliMed IPA, Inc.
CareMore Holdings, Inc.	WellPoint Behavioral Health, Inc.
Cerulean Companies, Inc.	WellPoint California Services, Inc.
Claim Management Services, Inc.	WellPoint Dental Services, Inc.
Community Insurance Company	WellPoint Holding Corporation
Compicare Health Services Insurance Corporation	WellPoint Information Technology Services, Inc.
Crossroads Acquisition Corp	WellPoint Insurance Services, Inc.
DeCare Analytics, LLC	WellPoint Military Care Corporation

G. Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

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

**A. Nature of the Relationship**

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

On July 24, 2015, the Company’s ultimate parent company, Anthem, and Cigna Corporation (“Cigna”) entered into an Agreement and Plan of Merger dated as of July 23, 2015, by and among Anthem, Cigna and Anthem Merger Sub Corp., a Delaware corporation and a direct wholly-owned subsidiary of Anthem, pursuant to which Anthem will acquire all outstanding shares of Cigna. The acquisition is expected to close in the second half of 2016 and is subject to certain state regulatory approvals, standard closing conditions, customary approvals required under the Hart-Scott-Rodino Antitrust Improvements Act and the approval of both the Anthem, Inc. shareholders and Cigna’s stockholders.

**B. Significant Transactions for Each Period**

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

The Board of Directors of the Company declared an ordinary dividend in the amount of \$101,800,000 on December 15, 2015. The Company paid the dividend to its parent company, ATH Holding, on December 30, 2015.

The Board of Directors of the Company declared an ordinary dividend in the amount of \$175,000,000 on June 8, 2015. The Company paid the dividend to its parent company, ATH Holding, on June 22, 2015.

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

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

**C. Intercompany Management and Service Arrangements**

There were no changes to the intercompany management and service arrangements, and there were no additional arrangements entered into during 2015 or 2014. The amounts of transactions under such agreements are presented in Schedule Y, Part 2.

**D. Amounts Due to or from Related Parties**

At December 31, 2015 and 2014, the Company reported \$124,339,858 and \$163,968,657 due from affiliates and \$147,330,302 and \$65,033,123 due to affiliates, respectively. The receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreement.

**E. Guarantees or Contingencies for Related Parties**

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

**F. Management and Service Contracts and Cost Sharing Arrangements**

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

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

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

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

**H. Amount Deducted for Investment in Upstream Company**

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

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

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

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

Not applicable.

**K. Investment in a Foreign Insurance Subsidiary**

The Company does not have investments in foreign insurance subsidiaries.

**L. Investment in Downstream Non-insurance Holding Companies**

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

**11. Debt**

**A. Capital Notes**

The Company had no capital notes outstanding at December 31, 2015 and 2014.

**B. FHLB (Federal Home Loan Bank) Agreements**

1. The Company is a member of the Federal Home Loan Bank of Cincinnati ("FHLBC"). Through its membership, the Company has conducted business activity (borrowings) with the FHLBC. It is part of the Company's strategy to utilize these funds as working

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

capital. The Company has determined the actual maximum borrowing capacity as \$150,000,000. The Company calculated this amount in accordance with current FHLBC capital stock.

2. FHLB Capital Stock

a. Aggregate Totals

1. Current year

	Total
(a) Membership stock - Class A	\$ —
(b) Membership stock - Class B	\$ 2,417,120
(c) Activity stock	\$ 4,121,680
(d) Excess stock	\$ —
(e) Aggregate total (a+b+c+d)	\$ 6,538,800
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 150,000,000

2. Prior year-end

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

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

Membership Stock	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2. Class B	\$ 2,417,120	\$ 2,417,120	\$ —	\$ —	\$ —	\$ —

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)

11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

3. Collateral Pledged to FHLB

a. Amount pledged as of reporting date

	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total Collateral Pledged	\$ 161,781,382	\$ 159,658,411	\$ 150,000,000
2. Prior Year-end Total Collateral Pledged	\$ 154,514,334	\$ 150,073,082	\$ 100,000,000
11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)			
11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)			

b. Maximum amount pledged during reporting period

	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total Maximum Collateral Pledged	\$ 161,781,382	\$ 160,018,770	\$ 150,000,000
2. Prior Year-end Total Maximum Collateral Pledged	\$ 162,519,370	\$ 164,097,478	\$ 150,000,000

4. Borrowing from FHLB

a. Amount as of the reporting date

	Total	Funding Agreements Reserves Established
1. Current year		
(a) Debt	\$ 150,000,000	XXX
(b) Funding agreements	—	—
(c) Other	—	XXX
(d) Aggregate total (a+b+c)	\$ 150,000,000	\$ —
2. Prior year-end		
(a) Debt	\$ 100,000,000	XXX
(b) Funding agreements	—	—
(c) Other	—	XXX
(d) Aggregate total (a+b+c)	\$ 100,000,000	\$ —

b. Maximum amount during reporting period (current year)

	Total
1. Debt	\$ 150,000,000
2. Funding agreements	—
3. Other	—
4. Aggregate total (Lines 1+2+3)	\$ 150,000,000

c. FHLB - Prepayment obligations

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

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

**A. Defined Benefit Plan**

Not applicable - See Note 12G.

**B.** Not applicable - See Note 12G.

**C.** Not applicable - See Note 12G.

**D.** Not applicable - See Note 12G.

**E. Defined Contribution Plans**

Not applicable - See Note 12G.

**F. Multiemployer Plans**

The Company does not participate in a multiemployer plan.

**G. Consolidated/Holding Company Plans**

The Company participates in the Anthem Cash Balance Pension Plan (the “Plan”), a frozen non-contributory defined benefit pension plan sponsored by ATH Holding Company, LLC (“ATH Holding”) covering most employees of Anthem and its subsidiaries. ATH Holding allocates a share of the total accumulated (credits) costs of the Plan to the Company based on the number of allocated employees. During 2015 and 2014, these credits totaled \$(2,473,741) and \$(2,328,391), respectively. The Company has no legal obligation for benefits under this plan.

The Company participates in a postretirement medical benefit plan, sponsored by ATH Holding, providing certain health, life, vision and dental benefits to eligible retirees. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. During 2015 and 2014, these costs totaled \$105,094 and \$92,190, respectively. The Company has no legal obligation for benefits under this plan.

The Company participates in a deferred compensation plan sponsored by Anthem which covers certain employees. The deferred amounts are payable according to the terms and subject to the conditions of said deferred compensation agreements. Anthem allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees subject to the deferred compensation agreements. During 2015 and 2014, these costs totaled \$226,355 and \$212,658. The Company has no legal obligation for benefits under this plan.

The Company participates in the Anthem 401(k) Retirement Savings Plan, sponsored by ATH Holding and covering substantially all employees. Voluntary employee contributions are matched by ATH Holding subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. During 2015 and 2014, these costs totaled \$7,599,072 and \$7,426,369, respectively. The Company has no legal obligation for benefits under this plan.

**H. Post Employment Benefits and Compensated Absences**

Liabilities for earned not yet taken vacation and severance benefits have been accrued as of December 31, 2015 and 2014.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

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

Not applicable.

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

**(1) Outstanding Shares**

As of December 31, 2015, the Company has 750 shares of \$10,000 par value common stock authorized. The number of shares issued and outstanding is 114.23.

**(2) Preferred Stock**

The Company has no preferred stock outstanding.

**(3) Dividend Restrictions**

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

**(4) Dividends Paid**

See Footnote 10B.

**(5) Maximum Ordinary Dividend During 2016**

Within the limitations of (3) above, the Company may pay \$266,266,380 in dividends during 2016 without prior approval.

**(6) Unassigned Surplus Restrictions**

Unassigned surplus funds are not restricted at December 31, 2015.

**(7) Mutual Surplus Advances**

Not applicable.

**(8) Company Stock Held for Special Purpose**

There are no shares of stock held for special purposes at December 31, 2015.

**(9) Changes in Special Surplus Funds**

The change in balances of special surplus funds from the prior year are due to amounts segregated for the estimated Affordable Care Act ("ACA") health insurer fee as well as the deferred gain on the Company's sale-leaseback transaction.

**(10) Changes in Unassigned Funds**

The portion of unassigned funds represented by cumulative unrealized gains was \$71,740,225 at December 31, 2015.

**(11) Surplus Notes**



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

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

**(12) Restatement due to Prior Quasi-reorganizations**

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

**(13) Quasi-reorganizations over Prior 10 Years**

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

**14. Liabilities, Contingencies and Assessments**

**A. Contingent Commitments**

(1) The Company has a commitment to contribute an additional \$37,062,333 related to the Company's investments in joint ventures, limited partnerships and limited liability companies.

(2) Not applicable.

(3) Not applicable.

**B. Assessments**

(1) The Company is subject to guaranty fund and other assessments by the state(s) in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of the assessment or at the time the losses are incurred. The Company maintained a liability of \$1,107,124 for guaranty fund assessments as of December 31, 2015 and 2014. This represented management's best estimate based on information received from the states in which the Company wrote business. Actual assessments could differ from management's estimates depending on the ultimate cost of insurer insolvencies.

(2) Not applicable.

**C. Gain Contingencies**

The Company has no gain contingencies at December 31, 2015.

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

Not applicable.

**E. Joint and Several Liabilities**

Not applicable.

**F. All Other Contingencies**

The National Organization of Life & Health Insurance Guaranty Associations ("NOLHGA") is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. Such associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage, subject to state maximum limits, even if the insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner ("Insurance Commissioner") has placed Penn Treaty Network America Insurance Company and its subsidiary, American Network Insurance Company, or

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

collectively (“Penn Treaty”), in rehabilitation, an intermediate action before insolvency. The state court denied the Insurance Commissioner’s petition for the liquidation of Penn Treaty and ordered the Insurance Commissioner to file an updated plan of rehabilitation. In July 2015, the state court commenced a hearing in connection with the updated plan, which has been adjourned. The state court has begun scheduling settlement conferences to resolve outstanding issues with the plan of rehabilitation. In the event rehabilitation of Penn Treaty is unsuccessful and Penn Treaty is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of their policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments, and the availability and amount of any potential premium tax and other offsets, the Company currently cannot estimate the net exposure, if any, to this potential insolvency. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to cash flows and results of operations.

Anthem and some of its subsidiaries, including the Company, currently is a defendant in eleven putative class actions relating to out-of-network (“OON”) reimbursements that were consolidated into a single multi-district lawsuit called *In re WellPoint, Inc. (now known as Anthem, Inc.) Out-of-Network “UCR” Rates Litigation* that is pending in the United States District Court for the Central District of California. The lawsuits were filed in 2009. The plaintiffs include a) current and former members on behalf of a putative class of members who received OON services for which the defendants paid less than billed charges, b) the American Medical Association, c) four state medical associations, d) OON physicians, e) OON non-physician providers, f) the American Podiatric Association, g) the California Chiropractic Association and h) the California Psychological Association, on behalf of putative classes of OON physicians and all OON non-physician health care providers. The plaintiffs have filed several amended complaints alleging that the defendants violated the Racketeer Influenced and Corrupt Organizations Act (“RICO”), the Sherman Antitrust Act, ERISA, federal regulations, and state law by using an OON reimbursement database called Ingenix and by using non-Ingenix OON reimbursement methodologies. Anthem has filed motions to dismiss in response to each of those amended complaints. Anthem’s motions to dismiss have been granted in part and denied in part by the court. The most recent pleading filed by the plaintiffs is a Fourth Amended Complaint to which Anthem filed a motion to dismiss most, but not all, of the claims. In July 2013, the court issued an order granting, in part and denying in part, Anthem’s motion. The court held that the state and federal anti-trust claims, along with the RICO claims, should be dismissed in their entirety with prejudice. The court further found that the ERISA claims, to the extent they involved non-Ingenix methodologies and along with those that involved alleged non-disclosures, should be dismissed with prejudice. The court also dismissed most of the plaintiffs’ state law claims with prejudice. The only claims that remain after the court’s decision are a) an ERISA benefits claim relating to claims priced based on Ingenix, b) a breach of contract claim on behalf of one subscriber plaintiff, c) a breach of implied covenant claim on behalf of one subscriber plaintiff, and d) one subscriber plaintiff’s claim under the California Unfair Competition Law. The plaintiffs filed a motion for reconsideration of the motion to dismiss order, which the court granted in part and denied in part. The court ruled that the plaintiffs adequately allege that one Georgia provider plaintiff is deemed to have exhausted administrative remedies regarding non-Ingenix methodologies based on the facts alleged regarding that plaintiff; therefore, those claims are back in the case. Fact discovery is complete. The plaintiffs filed a motion for class certification in November 2013 seeking six different classes, which was denied in its entirety in late 2014. The California subscriber plaintiffs filed a motion for leave to file a renewed motion for class certification with more narrowly defined proposed classes, which the court denied. In late 2015, all but two of the individually named subscribers and all of the providers and medical associations dismissed their claims with prejudice. The only plaintiffs remaining in the case are two subscribers. Motions for summary judgment are due in early 2016. Earlier in the case, in 2009, Anthem filed a motion in the United States District Court for the Southern District of Florida, or the Florida Court, to enjoin the claims brought

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

by the physician plaintiffs and certain medical association plaintiffs based on prior litigation releases, which was granted in 2011. The Florida Court ordered those plaintiffs to dismiss their claims that are barred by the release. The plaintiffs then filed a petition for declaratory judgment asking the court to find that these claims are not barred by the releases from the prior litigation. Anthem filed a motion to dismiss the declaratory judgment action, which was granted. The plaintiffs appealed the dismissal of the declaratory judgment to the United States Court of Appeals for the Eleventh Circuit, but the dismissal was upheld. The enjoined physicians and some of the medical associations did not dismiss their barred claims. The Florida Court found those enjoined plaintiffs in contempt and sanctioned them in July 2012. The barred physicians are paying the sanctions and have appealed the Florida Court's sanctions order to the United States Court of Appeals for the Eleventh Circuit. Oral argument on that appeal occurred in October 2013 and the Eleventh Circuit issued its decision in June 2014. The Eleventh Circuit upheld the Florida Court's injunction of the plaintiffs' antitrust and RICO claims, but vacated the injunction as to the ERISA claims based on the denial or underpayment of benefits occurring after the effective date of the earlier releases. Based on this decision, the Florida Court vacated the sanctions. The plaintiffs then filed a petition for writ of certiorari with the U.S. Supreme Court. The American Medical Association filed an amicus brief in support of the petition. The U.S. Supreme Court denied the petition on February 23, 2015. Anthem intends to vigorously defend these suits; however, their ultimate outcome cannot be presently determined.

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

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

Anthem has continued to implement security enhancements since this incident and is supporting federal law enforcement efforts to identify the responsible parties. Upon discovery of the cyber-attack, Anthem took immediate action to remediate the security vulnerability and retained a cybersecurity firm to evaluate its systems and identify

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

solutions based on the evolving landscape. Anthem is providing credit monitoring and identity protection services to those who have been affected by this cyber-attack. Anthem has incurred expenses subsequent to the cyber-attack to investigate and remediate this matter and expects to continue to incur expenses of this nature in the foreseeable future. Anthem will recognize these expenses in the periods in which they are incurred.

Actions have been filed in various federal and state courts, and other claims have been or may be asserted against Anthem on behalf of current or former members, current or former employees, other individuals, shareholders or others seeking damages or other related relief, allegedly arising out of the cyber-attack. State and federal agencies, including state insurance regulators, state attorneys general, the Health and Human Services Office of Civil Rights and the Federal Bureau of Investigation, are investigating events related to the cyber-attack, including how it occurred, its consequences and Anthem's responses. Although Anthem is cooperating in these investigations, Anthem may be subject to fines or other obligations, which may have an adverse effect on how Anthem operates its business and results of operations. With respect to the civil actions, a motion to transfer was filed with the Judicial Panel on Multidistrict Litigation in February 2015 and was subsequently heard by the Panel in May 2015. In June 2015, the Panel entered its order transferring the consolidated matter to the U.S. District Court for the Northern District of California. The U.S. District Court entered its Case Management Order in September 2015. Anthem has filed a Motion to Dismiss several of the counts that are before the U.S. District Court. There remain a few state court cases that are presently proceeding outside of the Multidistrict Litigation.

Anthem has contingency plans and insurance coverage for certain expenses and potential liabilities of this nature. The coverage has been sufficient to cover the majority of claims and liabilities incurred to date. While a loss from these matters is reasonably possible, Anthem cannot reasonably estimate a range of possible losses because the investigation into the matter is ongoing, the proceedings remain in the early stages, alleged damages have not been specified, there is uncertainty as to the likelihood of a class or classes being certified or the ultimate size of any class if certified, and there are significant factual and legal issues to be resolved.

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

At December 31, 2015 and 2014, the Company reported admitted assets of \$393,618,862 and \$379,352,888, respectively in premiums receivables and in receivables due from uninsured plans. Based upon Company experience, any uncollectible receivables are not expected to exceed \$36,220,974 that was nonadmitted at December 31, 2015; therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

## 15. Leases

### A. Lessee Operating Lease

1. The Company leases office space, office equipment, EDP equipment, software and terminal lines under various noncancelable operating leases. Related lease expense for 2015 and 2014 was \$3,921,202 and \$3,701,019, respectively.
2. At January 1, 2016, the minimum aggregate rental commitments are as follows:

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

	Year Ending December 31	Operating Leases
1.	2016	\$ 4,647,134
2.	2017	4,656,225
3.	2018	4,586,452
4.	2019	2,375,497
5.	2020	1,899,120
6.	Total	<u>\$ 18,164,428</u>

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

**B. Lessor Leases**

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

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

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

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2015, there were no significant concentrations.

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

**A. Transfers of Receivables Reported as Sales**

Not applicable at December 31, 2015 and 2014.

**B. Transfer and Servicing of Financial Assets**

- (1) The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers. At December 31, 2015 the fair value of securities loaned was \$136,842,925, and the carrying value of securities loaned was \$135,689,239.
- (2) - (7) Not applicable.

**C. Wash Sales**

- 1. In the course of the Company’s asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.
- 2. At December 31, 2015 and 2014, there were no wash sales involving securities with an NAIC designation of 3 or below or unrated.

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

**A. Administrative Services Only ("ASO") Plans**

Not applicable at December 31, 2015 and 2014.



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

B. Administrative Services Contract ("ASC") Plans

The gain from operations from ASC uninsured plans and the uninsured portion of partially insured plans during 2015 was:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 8,860,958,124	\$ —	\$ 8,860,958,124
b. Gross administrative fees accrued	482,575,117	—	482,575,117
c. Other income or expenses (including interest paid to or received from plans)	—	—	—
d. Gross expenses incurred (claims and administrative)	9,216,739,229	—	9,216,739,229
e. Total gain or (loss) from operations	\$ 126,794,012	\$ —	\$ 126,794,012

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

Not applicable at December 31, 2015 and 2014.

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

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2015 and 2014.

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
Industrial and misc	\$ —	\$ 218,445,752	\$ —	\$ 218,445,752
Total bonds	\$ —	\$ 218,445,752	\$ —	\$ 218,445,752
Common stock				
Industrial and misc	\$ 243,518,700	\$ 148,236	\$ 6,551,215	\$ 250,218,151
Total common stocks	\$ 243,518,700	\$ 148,236	\$ 6,551,215	\$ 250,218,151
Total assets at fair value	\$ 243,518,700	\$ 218,593,988	\$ 6,551,215	\$ 468,663,903

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

Description	Beginning Balance at 01/01/2015	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2015
a. Assets										
Common stock:										
Industrial and misc	\$ 6,538,803	\$ —	\$ —	\$ —	\$ 12,412	\$ —	\$ —	\$ —	\$ —	\$ 6,551,215
Total assets	\$ 6,538,803	\$ —	\$ —	\$ —	\$ 12,412	\$ —	\$ —	\$ —	\$ —	\$ 6,551,215

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

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

Fair values of equity securities are generally designated as Level 1 and are based on quoted market prices. For certain equity securities, quoted market prices for the identical security are not always available and the fair value is estimated by reference to similar securities for which quoted prices are available. These securities are designated Level 2. The Company has certain equity securities, including private equity securities, for which the fair value is estimated based on each security's current condition and the future cash flow projections. Such securities are designated Level 3. The fair values of these private equity securities are generally based on either broker quotes or discounted cash flow projections using assumptions for inputs such as the weighted-average cost of capital, long-term revenue growth rates and earnings before interest, taxes, depreciation and amortization, or revenue multiples that are not observable in the markets.

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

B. Fair Value Measurements Under Other Accounting Pronouncements

Not applicable at December 31, 2015 and 2014.

C. Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 1,155,673,543	\$ 1,130,911,801	\$ 61,883,253	\$ 1,093,790,290	\$ —	\$ —
Common stock	250,218,151	250,218,151	243,518,700	148,236	6,551,215	—
Short-term investments	56,569,147	56,559,222	53,217,221	3,351,926	—	—
Securities Lending Collateral	140,555,970	140,667,893	44,791,782	95,764,188	—	—

D. Not Practicable to Estimate Fair Value

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

21. Other Items

A. Unusual or Infrequent Items

Not applicable at December 31, 2015 and 2014.

B. Troubled Debt Restructuring: Debtors

Not applicable at December 31, 2015 and 2014.

C. Other Disclosures

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

Assets in the amount of \$485,505 and \$400,218 at December 31, 2015 and 2014, respectively, were on deposit with government authorities or trustees as required by law.

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

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other Blue Cross Blue Shield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company.

The gross premiums for the life of the program did not exceed the gross charges for the life of the program, therefore a rate stabilization reserve was not required for the Company at December 31, 2015 and December 31, 2014.

FEP represented approximately 68.9% and 76.0% of premiums receivable as of December 31, 2015 and 2014, respectively. FEP represented approximately 19.5% and 17.9% of net premiums written for the years ended December 31, 2015 and 2014, respectively.

**D. Business Interruption Insurance Recoveries**

The Company has reported no recoveries for business interruption for the years ended December 31, 2015 and 2014.

**E. State Transferable and Non-Transferable Tax Credits**

The Company did not have state transferable tax credits at December 31, 2015 and 2014.

**F. Subprime Mortgage-Related Risk Exposure**

1. The Company's investment strategy of providing safety and preservation of capital, sufficient liquidity to meet cash flow requirements and the attainment of a competitive



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

after-tax investment return is supported by a well diversified portfolio consisting of many different types of investments. The portion of the Company’s investment portfolio with subprime mortgage-related risk exposure is relatively small in comparison to the overall investment portfolio, and consists mainly of investment grade securities with no exposure to collateralized debt obligations. All mortgage related investments are monitored closely as part of the quarterly investment review performed by the Anthem Investment Impairment Review Committee.

- 2. The Company did not carry investments in subprime mortgage loans in its portfolio at December 31, 2015 or 2014.
- 3. The Company did not have subprime mortgage-related risk exposure at December 31, 2015 or 2014.
- 4. The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2015.

G. Retained Assets

The Company does not have retained assets at December 31, 2015 and 2014.

22. Events Subsequent

The Company is subject to an annual fee under section 9010 of the ACA. A health insurance company’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. The Company has written health insurance subject to the ACA assessment and expects to conduct health insurance business in 2016. The Company reflected its estimated portion of the fee payable on September 30, 2016 in special surplus. The annual fee under section 9010 of the ACA has been suspended for 2017 and will resume for 2018 and beyond.

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	
B. ACA fee assessment payable for the upcoming year	\$ 84,012,403	\$ 94,793,972
C. ACA fee assessment paid	\$ 91,288,729	\$ 71,573,586
D. Premium written subject to ACA 9010 assessment	\$ 4,965,144,966	\$ 5,005,528,884
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$ 754,139,318	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus Line 22B above).	\$ 670,126,915	
G. Authorized Control Level (Five-Year Historical Line 15)	\$ 177,912,459	
H. Would reporting the ACA assessment as of December 31, 2015 have triggered an RBC action level (YES/NO)?	NO	

On January 13, 2016, the Company’s borrowing of \$150,000,000 from the Federal Home Loan Bank of Cincinnati matured and was paid in full. On January 21, 2016, the Company borrowed \$150,000,000 from the Federal Home Loan Bank of Cincinnati. The advance has a fixed interest rate of 0.50% and will mature on March 21, 2016.

Subsequent events have been considered through February 25, 2016 for the statutory statement issued on February 25, 2016. There were no other events occurring subsequent to December 31, 2015 requiring recognition or disclosure.

23. Reinsurance

A. Ceded Reinsurance Report

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

**Section 1 - General Interrogatories**

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

Yes ( ) No (X)

If yes, give full details.

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

Yes ( ) No (X)

If yes, give full details.

**Section 2 - Ceded Reinsurance Report - Part A**

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

Yes ( ) No (X)

If yes, give full details.

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

Yes ( ) No (X)

If yes, give full details.

**Section 3 - Ceded Reinsurance Report - Part B**

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

\$17,530,926

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

Yes ( ) No (X)

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company  
NOTES TO FINANCIAL STATEMENTS

If yes, give full details.

**B. Uncollectible Reinsurance**

The Company has no uncollectible reinsurance at December 31, 2015 and 2014.

**C. Commutation of Ceded Reinsurance**

The Company has not commuted ceded reinsurance during 2015 and 2014.

**D. Certified Reinsurer Rating Downgraded or Status Subject Revocation**

The Company has no downgraded certified reinsurer ratings or status subject to revocations during 2015 and 2014.

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

- A. The Company sells accident and health policies for which the premiums vary based on loss experience. The Company estimates retrospective premium adjustments through the review of each retrospectively rated account, comparing the claim development with that anticipated in the policy contracts.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Company in 2015 and 2014 that were subject to retrospective rating features was \$5,037,960,698 and \$3,906,269,535, respectively, which represented 95.6% and 74.0%, respectively, of the total net premiums written.
- D. In accordance with the NAIC Accounting Practices and Procedures Manual, medical loss ratio rebates in accordance with the Federal 2010 Patient Protection and Affordable Care Act and Public Health Service Act, are to be reported in accordance with SSAP No. 66 - *Retrospectively Rated Contracts* ("SSAP No. 66"). A retrospectively rated contract is one that has the final policy premium calculated based on the loss experience of the insured during the term of the policy (including loss development after the term of the policy) and the stipulated formula set forth in the policy, or in the case of medical loss ratio rebates, a formula required by law. The Company based the incurred and unpaid liability amounts reported below based on its underwriting experience; actuarial, tax, and accounting estimates and assumptions at the financial statement date; as well as regulations and guidance available that is not final and subject to change prior to settlement. Accordingly, the Company's use of estimates and assumptions in the preparation of the statutory based financial statements and related footnote disclosures may differ from actual results. Hence, the amounts reported herein are for financial reporting purposes solely and not intended to be used for settlement purposes.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

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

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Year Reporting:					
(1) Medical loss ratio rebates incurred	\$ (951,525)	\$ —	\$ —	\$ —	\$ (951,525)
(2) Medical loss ratio rebates paid	—	—	—	—	—
(3) Medical loss ratio rebates unpaid	—	—	—	—	—
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	—
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ —
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ 9,428,631	\$ —	\$ —	\$ —	\$ 9,428,631
(8) Medical loss ratio rebates paid	1,021,940	—	—	—	1,021,940
(9) Medical loss ratio rebates unpaid	8,406,691	—	—	—	8,406,691
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	—
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 8,406,691

E. Risk-Sharing Provisions of the Affordable Care Act ("ACA")

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?	Yes
(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year	
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ 19,757,630
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ 52,168
3. Premium adjustments payable due to ACA Risk Adjustment	\$ —
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ 20,328,419
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 49,200
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ 15,187,021
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	\$ 2,343,905
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ —
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ 7,327,202
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ —
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance	\$ —
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$ 939,494
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ 20,159,900
9. ACA Reinsurance contributions - not reported as ceded premium	\$ 28,369,314
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ —
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ —
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$ (1,825,588)
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$ (1,786)

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

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

Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date		
				Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)	
1	2	3	4	5	6	7	8		9	10	
Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)	
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ 9,673,000	\$ —	\$10,260,372	\$ —	\$ (587,372)	\$ —	\$ 1,695,655	\$ —	A	\$ 1,108,283	\$ —
2. Premium adjustments (payable)	\$ —	\$ —	\$ —	\$ 16,583	\$ —	\$ (16,583)	\$ —	\$ 16,583	B	\$ —	\$ —
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 9,673,000	\$ —	\$10,260,372	\$ 16,583	\$ (587,372)	\$ (16,583)	\$ 1,695,655	\$ 16,583		\$ 1,108,283	\$ —
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$ 23,019,013	\$ —	\$29,350,338	\$ —	\$ (6,331,325)	\$ —	\$ 6,331,325	\$ —	C	\$ —	\$ —
2. Amounts recoverable for claims unpaid (contra liability)	\$ 3,702,351	\$ —	\$ —	\$ —	\$ 3,702,351	\$ —	\$ (3,702,351)	\$ —	D	\$ —	\$ —
3. Amounts receivable relating to uninsured plans	\$ 32,390	\$ —	\$ —	\$ —	\$ 32,390	\$ —	\$ (32,390)	\$ —	E	\$ —	\$ —
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ —	\$ 7,852,842	\$ —	\$ 7,852,842	\$ —	\$ —	\$ —	\$ —	F	\$ —	\$ —
5. Ceded reinsurance premiums payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	G	\$ —	\$ —
6. Liability for amounts held under uninsured plans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	H	\$ —	\$ —
7. Subtotal ACA Transitional Reinsurance Program	\$ 26,753,754	\$ 7,852,842	\$29,350,338	\$ 7,852,842	\$ (2,596,584)	\$ —	\$ 2,596,584	\$ —		\$ —	\$ —
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$ 1,786	\$ —	\$ 1,737	\$ —	\$ 49	\$ —	\$ (49)	\$ —	I	\$ —	\$ —
2. Reserve for rate credits or policy experience rating refunds	\$ —	\$ —	\$ —	\$ 1,827,325	\$ —	\$ (1,827,325)	\$ —	\$ 1,827,325	J	\$ —	\$ —
3. Subtotal ACA Risk Corridors Program	\$ 1,786	\$ —	\$ 1,737	\$ 1,827,325	\$ 49	\$ (1,827,325)	\$ (49)	\$ 1,827,325		\$ —	\$ —
d. Total for ACA Risk Sharing Provisions	\$ 36,428,540	\$ 7,852,842	\$39,612,447	\$ 9,696,750	\$ (3,183,907)	\$ (1,843,908)	\$ 4,292,190	\$ 1,843,908		\$ 1,108,283	\$ —
Explanations of Adjustments											
A Adjustments were made to reflect the ending balance as reported in the Centers for Medicare & Medicaid Services "Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2014 Benefit Year."											
B Adjustments were made to reflect the ending balance as reported in the Centers for Medicare & Medicaid Services "Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2014 Benefit Year."											
C Adjustments were made to reflect the ending balance as reported in the Centers for Medicare & Medicaid Services "Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2014 Benefit Year."											
D Adjustments were made to reflect the ending balance as reported in the Centers for Medicare & Medicaid Services "Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2014 Benefit Year."											
E Adjustments were made based upon actual membership.											
F Not applicable.											
G Not applicable.											
H Not applicable.											
I Adjustments are based upon experience to date, the impact, if any, of other risk-sharing programs and the provisions of the Risk Corridor program.											
J Adjustments are based upon experience to date, the impact, if any, of other risk-sharing programs and the provisions of the Risk Corridor program.											

25. Change in Incurred Claims and Claim Adjustment Expenses

The estimated cost of claims and claim adjustment expense attributable to insured events of prior years decreased by \$46,500,386 during 2015. This is approximately 8.6% of unpaid claims and claim adjustment expenses of \$542,448,820 as of December 31, 2014. The redundancy reflects the decreases in estimated claims and claims adjustment expenses as a result of claims payment during the year, and as additional information is received regarding claims incurred prior to 2015. Recent claim development trends are also taken into account in evaluating the overall adequacy of unpaid claims and unpaid claim adjustment expense.

26. Intercompany Pooling Arrangements

Not applicable at December 31, 2015 and 2014.

27. Structured Settlements

Not applicable at December 31, 2015 and 2014.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

NOTES TO FINANCIAL STATEMENTS

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2015	\$ 18,726,033	\$ 28,090,887	\$ —	\$ —	\$ —
9/30/2015	15,900,487	27,446,119	—	—	—
6/30/2015	14,712,392	25,714,903	1,924,784	34,682,597	—
3/31/2015	16,870,955	20,711,232	1,428,599	33,350,302	336,477
12/31/2014	15,252,451	20,073,423	1,606,370	31,640,951	2,242,781
9/30/2014	13,995,991	18,569,515	1,481,138	30,768,787	1,284,807
6/30/2014	11,023,531	19,535,985	1,411,801	28,729,554	2,582,001
3/31/2014	14,317,598	15,064,376	1,266,517	27,712,776	1,927,294
12/31/2013	10,496,336	18,750,341	1,278,834	27,872,184	1,065,832
9/30/2013	9,921,095	17,958,820	14,835	27,581,853	379,526
6/30/2013	7,034,278	18,394,053	1,266,360	24,402,756	796,005
3/31/2013	8,512,548	16,454,762	1,200,376	24,033,573	334,255

B. Risk Sharing Receivables

Not applicable at December 31, 2015 and 2014.

29. Participating Policies

Not applicable at December 31, 2015 and 2014.

30. Premium Deficiency Reserves

The Company had no liabilities related to premium deficiency reserves as of December 31, 2015 and 2014.

31. Anticipated Salvage and Subrogation

The Company took into account estimated anticipated subrogation and other recoveries in its determination of the liability for unpaid claims and reduced the liability by \$10,501,000 and \$11,298,000 at December 31, 2015 and 2014, respectively.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [ X ] No [ ]

1.2

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

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

1.3

State Regulating? .....

Ohio

2.1

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

Yes [ ] No [ X ]

2.2

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

3.1

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

12/31/2013

3.2

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

12/31/2013

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). ....

05/21/2015

3.4

By what department or departments?  
Ohio Department of Insurance .....

3.5

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

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

3.6

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

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

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? .....  
4.12 renewals? .....

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

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? .....  
4.22 renewals? .....

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

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes [ ] No [ X ]

5.2

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

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

6.1

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

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

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

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

GENERAL INTERROGATORIES

- 8.1

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

Yes [ ] No [ X ]
- 8.2

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

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

Yes [ ] No [ X ]
- 8.4

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

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

9.

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

Ernst & Young LLP 111 Monument Circle, Suite 2600, Indianapolis, IN 46204
- 10.1

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

Yes [ ] No [ X ]
- 10.2

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

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]
- 10.4

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

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

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

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

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Denise Meridith (employee), Regional Vice President and Actuary III, 1831 Chestnut Street, St. Louis, MO 63103
- 12.1

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

Yes [ ] No [ X ]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$
- 12.2

If, yes provide explanation:
13.

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

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

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

Yes [ ] No [ ]
- 13.3

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

Yes [ ] No [ ]
- 13.4

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

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

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

Yes [ X ] No [ ]
- (a)

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

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

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

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

Accountability for adherence to the code.
- 14.11

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

Has the code of ethics for senior managers been amended?

Yes [ X ] No [ ]
- 14.21

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

Minor revisions were made in February 2015. Specifically, the language was modified for the following policy changes contained within the code: Community Service, Business Entertainment, Vendor Relationships, Prohibition on Discrimination in Marketing and Enrollment and Business Relationships with Pharmaceutical Manufacturers. Additionally the Chief Executive Officer's letter was updated, a letter from the Chief Compliance Officer was added and certain informational sections were removed.
- 14.3

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

Yes [ ] No [ X ]
- 14.31

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



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

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

20.11 To directors or other officers\$

20.12 To stockholders not officers\$

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

20.21 To directors or other officers\$

20.22 To stockholders not officers\$

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

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others\$

21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$

22.22 Amount paid as expenses\$

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

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided) Please see Notes 5E and 17
- 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 [ X ] No [ ] N/A [ ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$140,667,893
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ X ] No [ ] N/A [ ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ X ] No [ ] N/A [ ]
- 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 [ X ] No [ ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

GENERAL INTERROGATORIES

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

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	140,555,970
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	140,667,893
24.103	Total payable for securities lending reported on the liability page.	\$	140,667,893

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	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	6,538,800
		25.28 On deposit with states	\$	485,505
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	159,658,411
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon Corporation	New York, NY

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [ 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, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
107105	BlackRock Financial Management	New York, NY
131619	Ares Capital Management LLC	Los Angeles, CA
105006	Deutsche Asset Management	New York, NY
113878	McDonnell Investment Management, LLC	Oak Brook, IL
134852	Sankaty Advisors, LLC	Boston, MA

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

GENERAL INTERROGATORIES

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

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

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

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

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	1,187,471,021	1,212,242,690	24,771,669
30.2 Preferred stocks	0		0
30.3 Totals	1,187,471,021	1,212,242,690	24,771,669

- 30.4 Describe the sources or methods utilized in determining the fair values:  
Fair values were obtained from third-party pricing sources. If a security was not priced by a third-party pricing source, internal analytical systems or broker quotes were utilized.
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- Yes [ X ] No [ ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- Yes [ X ] No [ ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?
- Yes [ X ] No [ ]
- 32.2 If no, list exceptions:

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....1,252,160

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

1 Name	2 Amount Paid
Blue Cross Blue Shield Association .....	1,252,160
.....	.....

34.1 Amount of payments for legal expenses, if any? .....\$ .....3,226,394

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

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

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....180,009

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

1 Name	2 Amount Paid
The Success Group .....	90,000
Ice Miller Whiteboard .....	90,000
Lobbying expenses disclosed reflect amounts reported in the Lobbyist Disclosure Reports filed with the Secretary of State as well as the cost of external contractors who provided lobbying services to the Company. The amount may include expenses that may have been paid by an affiliate on behalf of the Company and, as a result, may not be included in the Underwriting Gain reported on page 4 of the 2015 Annual Statement .....	.....
.....	.....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

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

Yes [ X ] No [ ]

1.2

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

\$ 122,158,152

1.3

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

\$

1.31

Reason for excluding

1.4

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

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 91,239,958

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 20,996,154

1.62

Total incurred claims

\$ 14,278,959

1.63

Number of covered lives

7,909

All years prior to most current three years:

1.64

Total premium earned

\$ 56,616,108

1.65

Total incurred claims

\$ 40,317,019

1.66

Number of covered lives

25,572

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

\$ 44,545,892

1.75

Total incurred claims

\$ 36,643,980

1.76

Number of covered lives

18,039

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

5,271,222,286

5,279,770,418

2.2

Premium Denominator

5,271,222,286

5,279,770,418

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

574,514,589

556,112,589

2.5

Reserve Denominator

574,514,589

556,112,589

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

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

Yes [ ] No [ X ]

3.2

If yes, give particulars:

4.1

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

Yes [ X ] No [ ]

4.2

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

Yes [ ] No [ ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ ] No [ X ]

5.2

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

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental & Vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

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

7.1

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

Yes [ X ] No [ ]

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

64,423

8.2

Number of providers at end of reporting year

68,003

9.1

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

Yes [ X ] No [ ]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$ 19,086,701

9.22

Business with rate guarantees over 36 months

\$ 797,616

28

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

GENERAL INTERROGATORIES

10.1

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

Yes [ X ] No [ ]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$ 11,308,578

10.22

Amount actually paid for year bonuses

\$ 22,119,013

10.23

Maximum amount payable withholds

\$

10.24

Amount actually paid for year withholds

\$

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [ ] No [ X ]

11.13

An Individual Practice Association (IPA), or,

Yes [ ] No [ X ]

11.14

A Mixed Model (combination of above)?

Yes [ ] No [ X ]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [ X ] No [ ]

11.3

If yes, show the name of the state requiring such minimum capital and surplus.

Ohio

11.4

If yes, show the amount required.

\$ 2,500,000

11.5

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

Yes [ ] No [ X ]

11.6

If the amount is calculated, show the calculation

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

1
Name of Service Area
State of Ohio
State of Indiana

13.1

Do you act as a custodian for health savings accounts?

Yes [ ] No [ X ]

13.2

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

\$

13.3

Do you act as an administrator for health savings accounts?

Yes [ ] No [ X ]

13.4

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

\$

14.1

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

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

14.2

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

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

15.

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

15.1

Direct Premium Written

\$

15.2

Total Incurred Claims

\$

15.3

Number of Covered Lives

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

FIVE-YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	2,091,388,096	2,014,267,869	1,887,439,223	1,988,697,450	1,882,344,244
2. Total liabilities (Page 3, Line 24) .....	1,337,248,778	1,202,115,393	1,109,056,437	1,233,878,958	1,190,233,898
3. Statutory minimum capital and surplus requirement .....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
4. Total capital and surplus (Page 3, Line 33) .....	754,139,318	812,152,476	778,382,786	754,818,492	692,110,346
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	5,255,401,210	5,309,220,422	5,102,158,886	5,229,538,922	4,517,103,718
6. Total medical and hospital expenses (Line 18) .....	4,347,507,705	4,366,679,675	4,256,225,696	4,412,907,954	3,672,016,330
7. Claims adjustment expenses (Line 20) .....	129,868,302	111,950,331	110,638,552	91,327,645	65,336,799
8. Total administrative expenses (Line 21) .....	390,664,518	433,286,971	293,599,781	288,278,639	317,776,760
9. Net underwriting gain (loss) (Line 24) .....	390,644,188	392,877,479	459,352,599	441,036,852	467,208,829
10. Net investment gain (loss) (Line 27) .....	51,428,875	64,085,296	99,576,301	87,653,254	78,381,511
11. Total other income (Lines 28 plus 29) .....	863,127	1,882,668	2,341,378	5,111,122	2,819,716
12. Net income or (loss) (Line 32) .....	266,266,380	276,872,294	392,474,723	380,133,924	367,276,522
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	272,626,870	280,415,320	278,791,260	324,298,261	389,001,866
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	754,139,318	812,152,476	778,382,786	754,818,492	692,110,346
15. Authorized control level risk-based capital .....	177,912,459	179,324,836	171,874,867	174,669,499	166,623,585
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	1,854,137	1,974,741	1,899,391	1,875,569	1,743,198
17. Total members months (Column 6, Line 7) .....	22,435,066	24,051,555	22,723,313	22,536,688	20,964,701
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	82.7	82.2	83.4	84.4	81.3
20. Cost containment expenses .....	1.3	1.2	1.3	0.9	1.3
21. Other claims adjustment expenses .....	1.1	0.9	0.9	0.9	0.1
22. Total underwriting deductions (Line 23) .....	92.6	92.6	91.0	91.6	89.7
23. Total underwriting gain (loss) (Line 24) .....	7.4	7.4	9.0	8.4	10.3
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	472,471,730	417,353,240	418,905,629	362,513,257	329,883,419
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	522,284,518	468,951,454	482,177,132	402,560,518	338,936,907
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....					0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....					0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....			1,030,882	1,031,177	18,517,811
32. Total of above Lines 26 to 31 .....	0	0	1,030,882	1,031,177	18,517,811
33. Total investment in parent included in Lines 26 to 31 above.					

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

Yes [     ] No [     ]

If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
			1	Direct Business Only						
			2	3	4	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
States, etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX				
1.	Alabama	AL	N						0	
2.	Alaska	AK	N						0	
3.	Arizona	AZ	N						0	
4.	Arkansas	AR	N						0	
5.	California	CA	N						0	
6.	Colorado	CO	N						0	
7.	Connecticut	CT	N						0	
8.	Delaware	DE	N						0	
9.	District of Columbia	DC	N						0	
10.	Florida	FL	N						0	
11.	Georgia	GA	N						0	
12.	Hawaii	HI	N						0	
13.	Idaho	ID	N						0	
14.	Illinois	IL	N						0	
15.	Indiana	IN	L		118,878				118,878	
16.	Iowa	IA	N						0	
17.	Kansas	KS	N						0	
18.	Kentucky	KY	N						0	
19.	Louisiana	LA	N						0	
20.	Maine	ME	N						0	
21.	Maryland	MD	N						0	
22.	Massachusetts	MA	N						0	
23.	Michigan	MI	N						0	
24.	Minnesota	MN	N						0	
25.	Mississippi	MS	N						0	
26.	Missouri	MO	N						0	
27.	Montana	MT	N						0	
28.	Nebraska	NE	N						0	
29.	Nevada	NV	N						0	
30.	New Hampshire	NH	N						0	
31.	New Jersey	NJ	N						0	
32.	New Mexico	NM	N						0	
33.	New York	NY	N						0	
34.	North Carolina	NC	N						0	
35.	North Dakota	ND	N						0	
36.	Ohio	OH	L	2,905,390,823	1,336,511,345		1,030,140,734		5,272,042,902	
37.	Oklahoma	OK	N						0	
38.	Oregon	OR	N						0	
39.	Pennsylvania	PA	N						0	
40.	Rhode Island	RI	N						0	
41.	South Carolina	SC	N						0	
42.	South Dakota	SD	N						0	
43.	Tennessee	TN	N						0	
44.	Texas	TX	N						0	
45.	Utah	UT	N						0	
46.	Vermont	VT	N						0	
47.	Virginia	VA	N						0	
48.	Washington	WA	N						0	
49.	West Virginia	WV	N						0	
50.	Wisconsin	WI	N						0	
51.	Wyoming	WY	N						0	
52.	American Samoa	AS	N						0	
53.	Guam	GU	N						0	
54.	Puerto Rico	PR	N						0	
55.	U.S. Virgin Islands	VI	N						0	
56.	Northern Mariana Islands	MP	N						0	
57.	Canada	CAN	N						0	
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59.	Subtotal		XXX	2,905,390,823	1,336,630,223	0	1,030,140,734	0	5,272,161,780	0
60.	Reporting entity contributions for Employee Benefit Plans		XXX						0	
61.	Total (Direct Business)	(a)	2	2,905,390,823	1,336,630,223	0	1,030,140,734	0	5,272,161,780	0
DETAILS OF WRITE-INS										
58001.			XXX							
58002.			XXX							
58003.			XXX							
58998.	Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	0	0	0	0	0	0	0

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

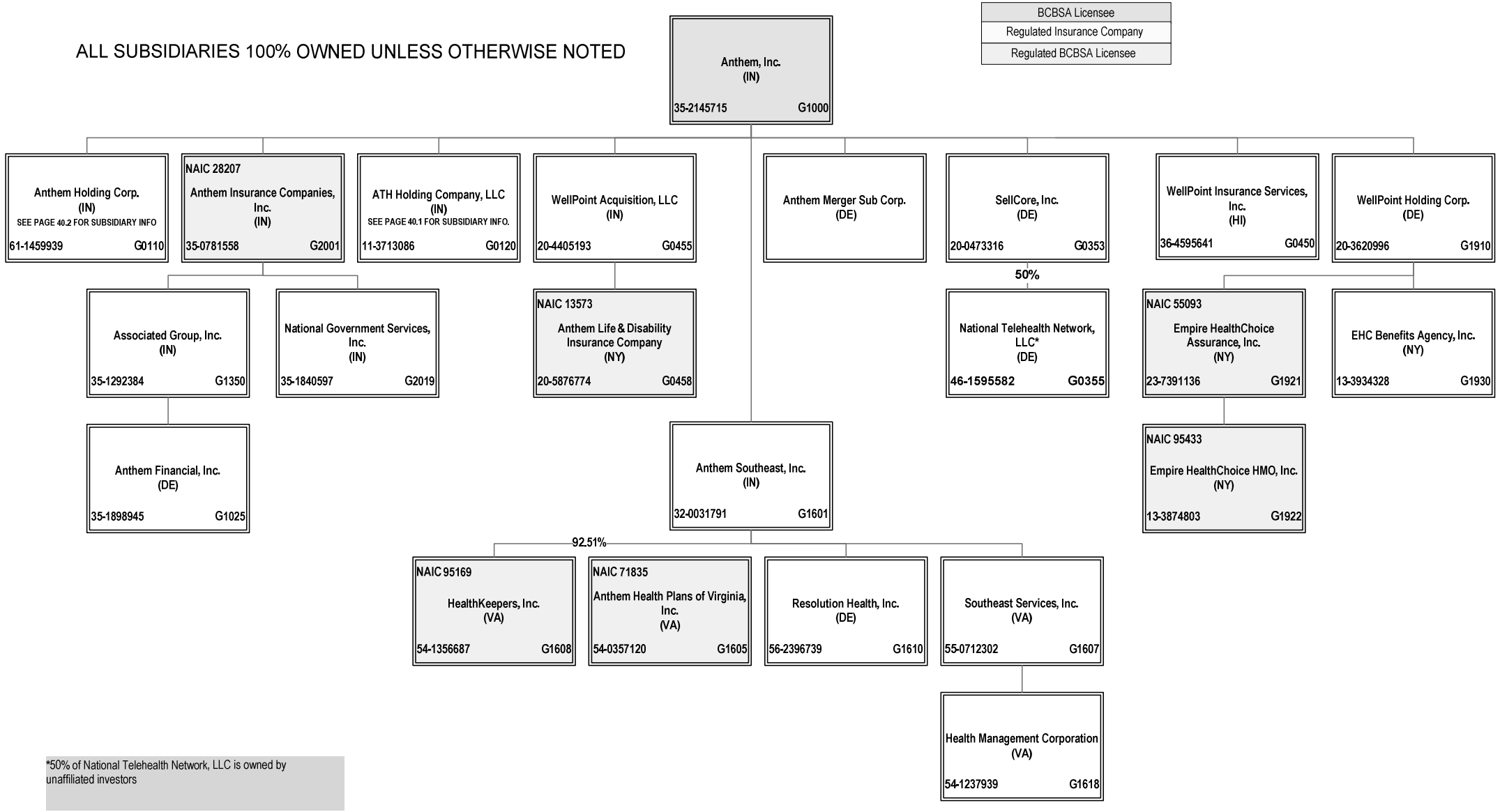
Explanation of basis of allocation by states, premiums by state, etc.

Allocated based on the situs of the contract.

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



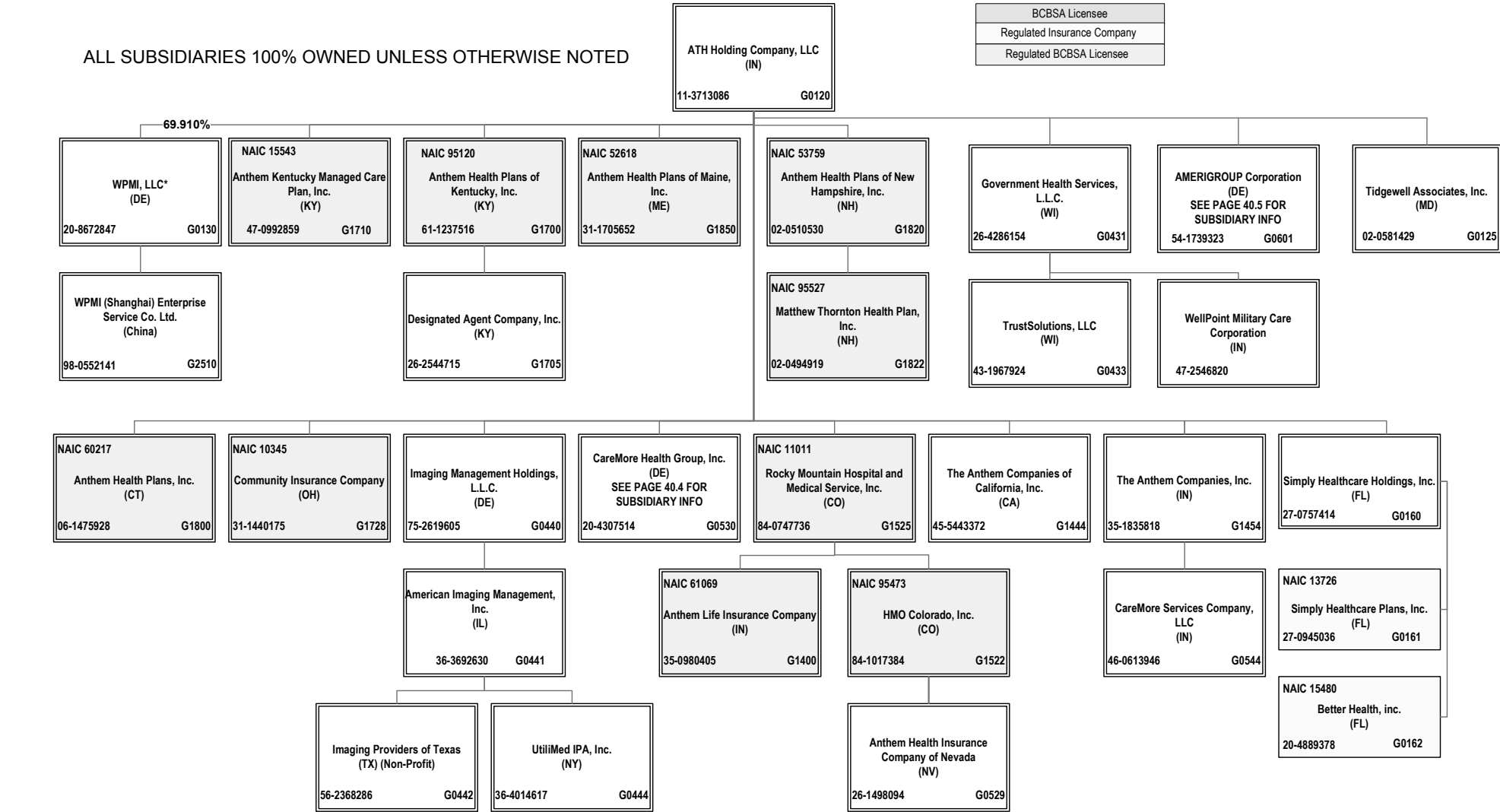
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Community Insurance Company

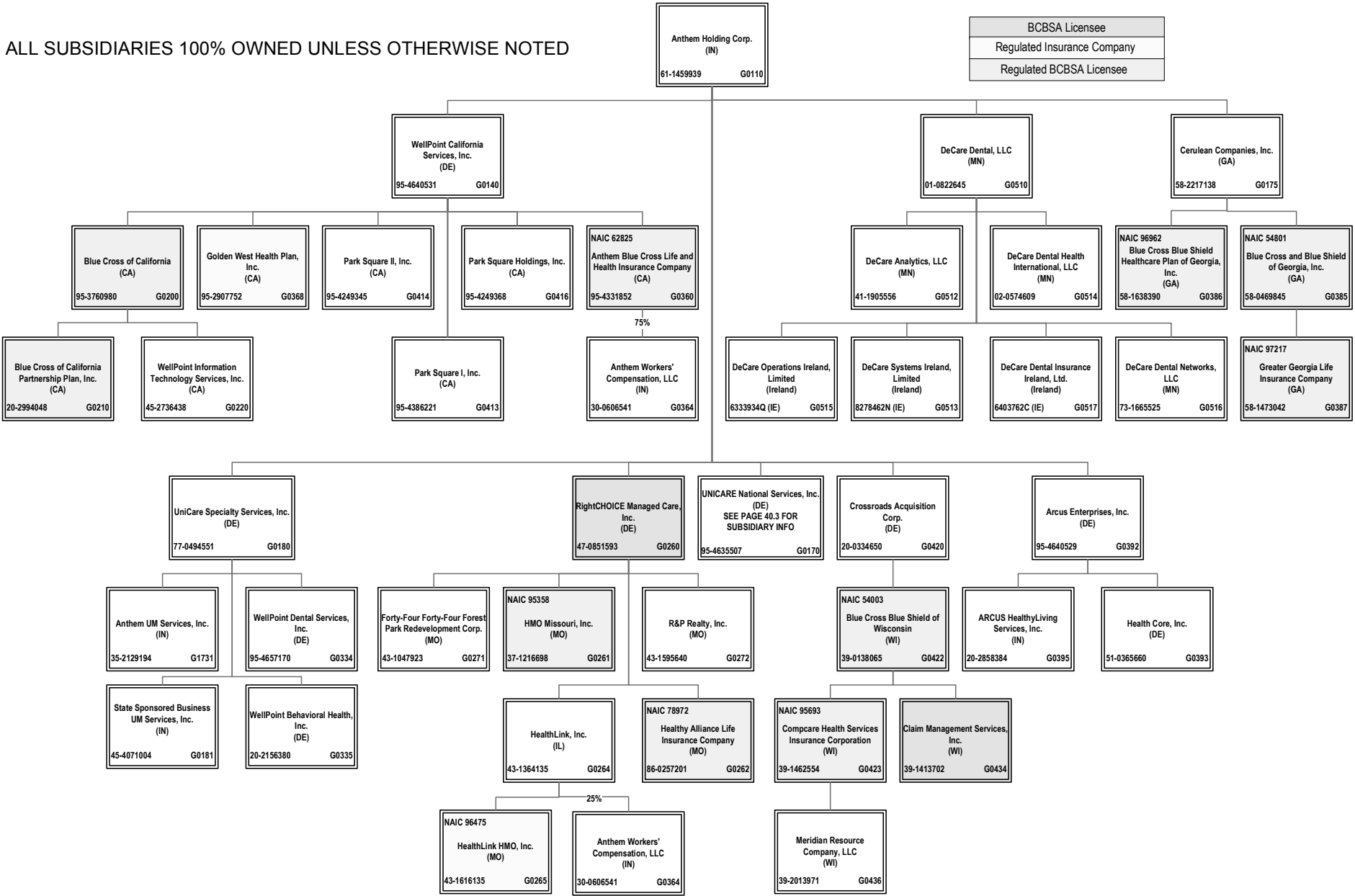
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



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

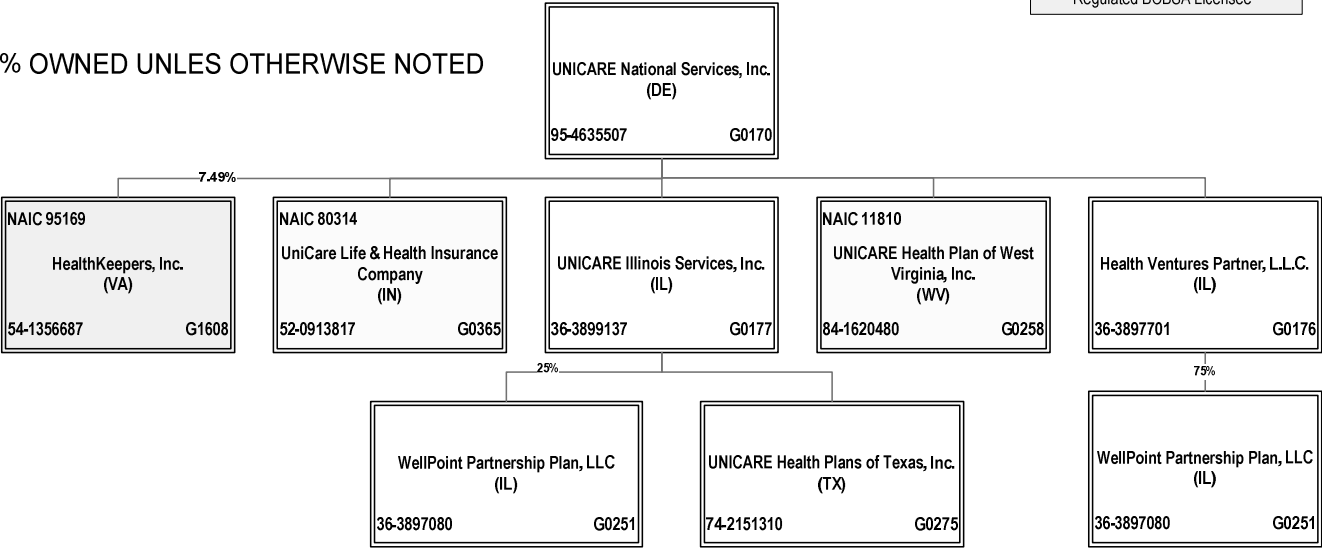
ALL SUBSIDIARIES 100% OWNED UNLESS OTHERWISE NOTED



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
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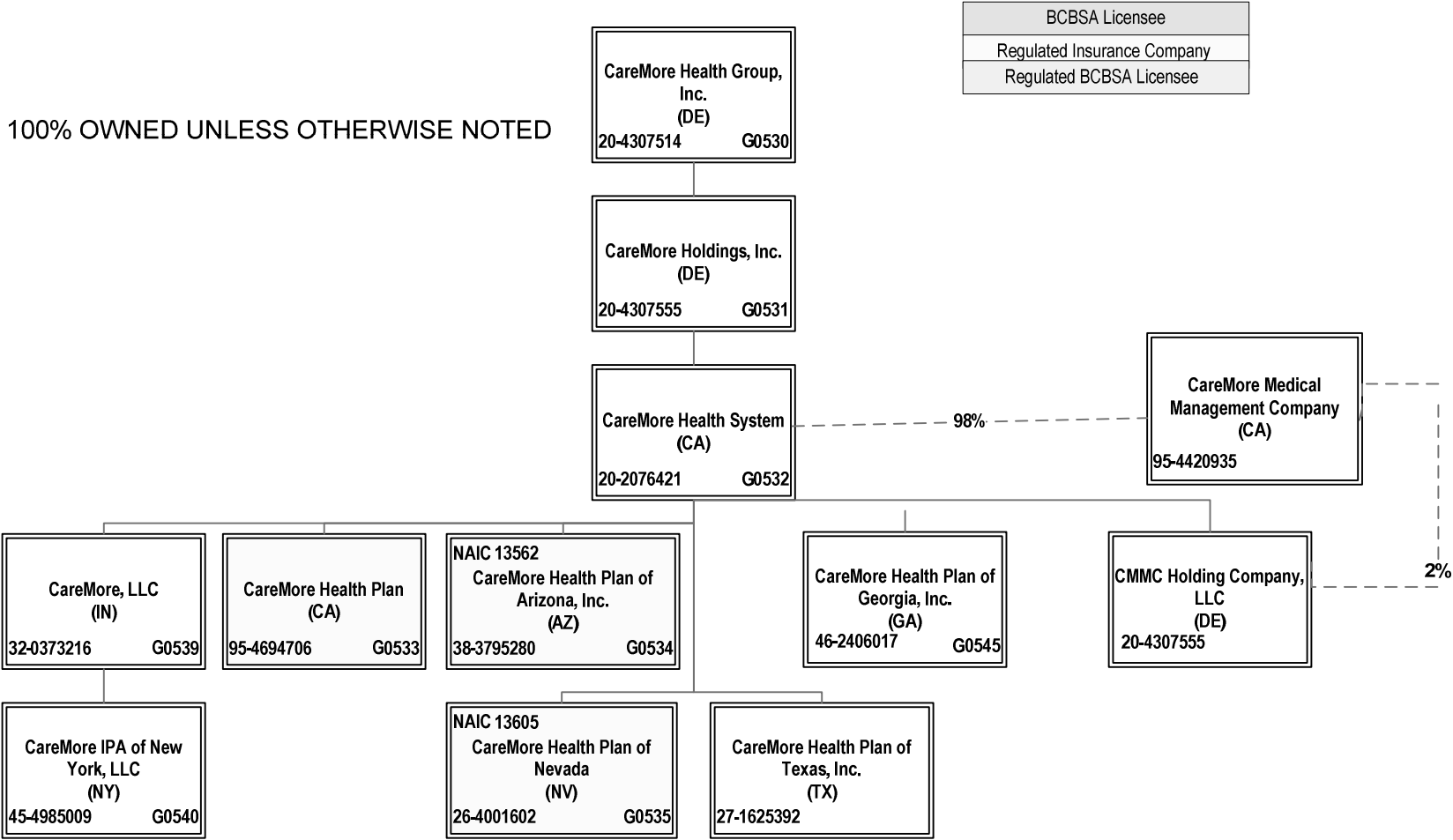
ALL SUBSIDIARIES 100% OWNED UNLES OTHERWISE NOTED

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee



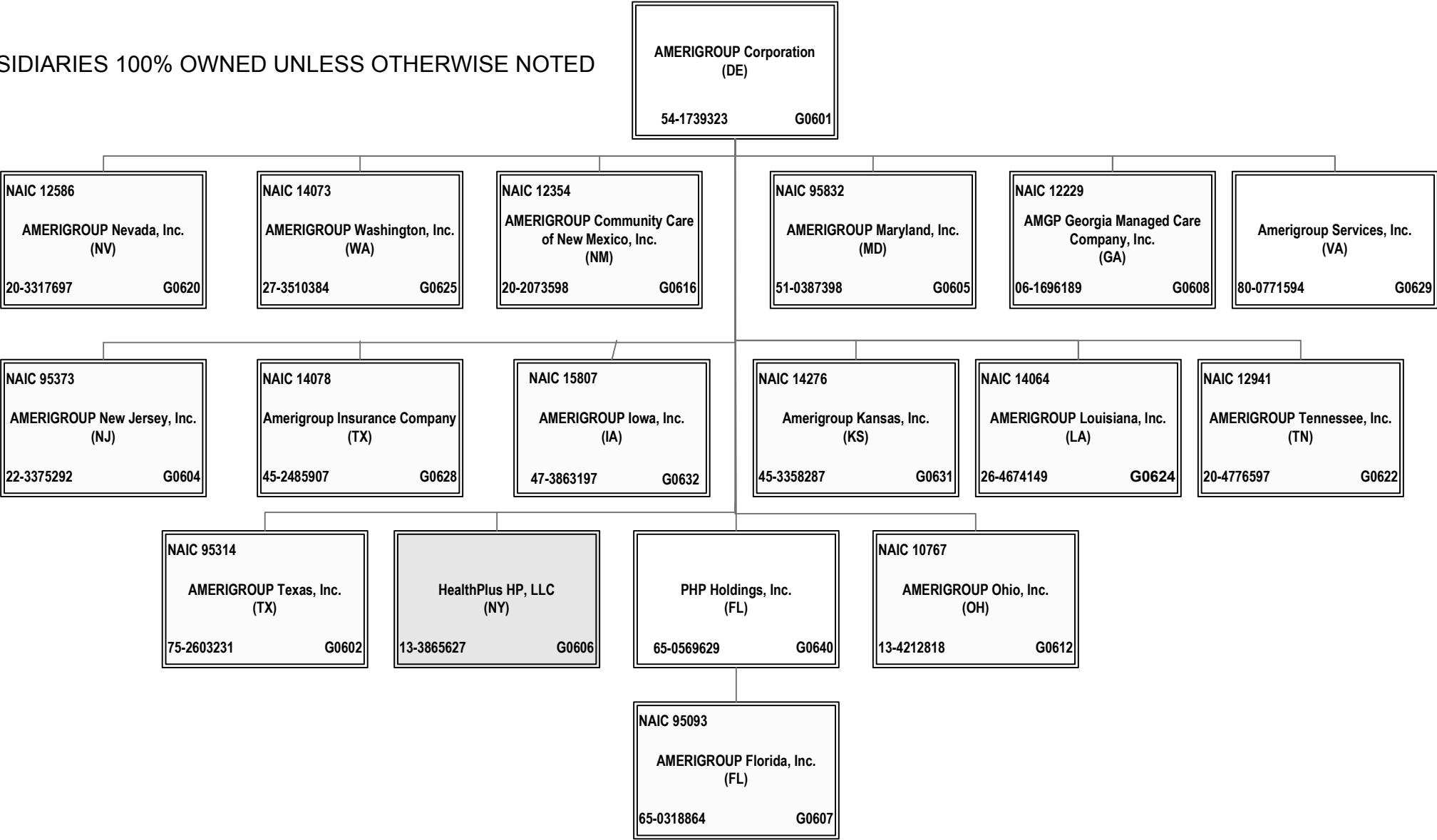
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PART 1 – ORGANIZATIONAL CHART

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PART 1 – ORGANIZATIONAL CHART

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**OVERFLOW PAGE FOR WRITE-INS**

**NONE**

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business ..... 7

Assets ..... 2

Cash Flow ..... 6

Exhibit 1 - Enrollment By Product Type for Health Business Only ..... 17

Exhibit 2 - Accident and Health Premiums Due and Unpaid ..... 18

Exhibit 3 - Health Care Receivables ..... 19

Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued ..... 20

Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus ..... 21

Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates ..... 22

Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates ..... 23

Exhibit 7 - Part 1 - Summary of Transactions With Providers ..... 24

Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries ..... 24

Exhibit 8 - Furniture, Equipment and Supplies Owned ..... 25

Exhibit of Capital Gains (Losses) ..... 15

Exhibit of Net Investment Income ..... 15

Exhibit of Nonadmitted Assets ..... 16

Exhibit of Premiums, Enrollment and Utilization (State Page) ..... 30

Five-Year Historical Data ..... 29

General Interrogatories ..... 27

Jurat Page ..... 1

Liabilities, Capital and Surplus ..... 3

Notes To Financial Statements ..... 26

Overflow Page For Write-ins ..... 44

Schedule A - Part 1 ..... E01

Schedule A - Part 2 ..... E02

Schedule A - Part 3 ..... E03

Schedule A - Verification Between Years ..... SI02

Schedule B - Part 1 ..... E04

Schedule B - Part 2 ..... E05

Schedule B - Part 3 ..... E06

Schedule B - Verification Between Years ..... SI02

Schedule BA - Part 1 ..... E07

Schedule BA - Part 2 ..... E08

Schedule BA - Part 3 ..... E09

Schedule BA - Verification Between Years ..... SI03

Schedule D - Part 1 ..... E10

Schedule D - Part 1A - Section 1 ..... SI05

Schedule D - Part 1A - Section 2 ..... SI08

Schedule D - Part 2 - Section 1 ..... E11

Schedule D - Part 2 - Section 2 ..... E12

Schedule D - Part 3 ..... E13

Schedule D - Part 4 ..... E14

Schedule D - Part 5 ..... E15

Schedule D - Part 6 - Section 1 ..... E16

Schedule D - Part 6 - Section 2 ..... E16

Schedule D - Summary By Country ..... SI04

Schedule D - Verification Between Years ..... SI03

Schedule DA - Part 1 ..... E17

Schedule DA - Verification Between Years ..... SI10

Schedule DB - Part A - Section 1 ..... E18

Schedule DB - Part A - Section 2 ..... E19

Schedule DB - Part A - Verification Between Years ..... SI11

Schedule DB - Part B - Section 1 ..... E20

Schedule DB - Part B - Section 2 ..... E21

Schedule DB - Part B - Verification Between Years ..... SI11

Schedule DB - Part C - Section 1 ..... SI12

Schedule DB - Part C - Section 2 ..... SI13

Schedule DB - Part D - Section 1 ..... E22

Schedule DB - Part D - Section 2 ..... E23

Schedule DB - Verification ..... SI14

Schedule DL - Part 1 ..... E24

Schedule DL - Part 2 ..... E25

Schedule E - Part 1 - Cash ..... E26

Schedule E - Part 2 - Cash Equivalents ..... E27

Schedule E - Part 3 - Special Deposits ..... E28

Schedule E - Verification Between Years ..... SI15



ANNUAL STATEMENT BLANK (Continued)

Schedule S - Part 1 - Section 2 .....	31
Schedule S - Part 2 .....	32
Schedule S - Part 3 - Section 2 .....	33
Schedule S - Part 4 .....	34
Schedule S - Part 5 .....	35
Schedule S - Part 6.....	36
Schedule S - Part 7.....	37
Schedule T - Part 2 - Interstate Compact .....	39
Schedule T - Premiums and Other Considerations .....	38
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group .....	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System .....	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates .....	42
Statement of Revenue and Expenses .....	4
Summary Investment Schedule .....	SI01
Supplemental Exhibits and Schedules Interrogatories .....	43
Underwriting and Investment Exhibit - Part 1 .....	8
Underwriting and Investment Exhibit - Part 2 .....	9
Underwriting and Investment Exhibit - Part 2A .....	10
Underwriting and Investment Exhibit - Part 2B .....	11
Underwriting and Investment Exhibit - Part 2C .....	12
Underwriting and Investment Exhibit - Part 2D .....	13
Underwriting and Investment Exhibit - Part 3 .....	14