



ANNUAL STATEMENT

For the Year Ended December 31, 2015
of the Condition and Affairs of the

Vision Service Plan

NAIC Group Code.....1189, 1189 (Current Period) (Prior Period)	NAIC Company Code..... 54380	Employer's ID Number..... 31-0725743
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Licensed as Business Type.....Vision Service Corporation	Is HMO Federally Qualified? Yes [] No [X]	
Incorporated/Organized..... November 4, 1966	Commenced Business..... March 29, 1967	
Statutory Home Office	3400 Morse Crossing P.O. Box 2487..... Columbus OH US 43215 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	3333 Quality Drive..... Rancho Cordova CA US 95670 (Street and Number) (City or Town, State, Country and Zip Code)	916-851-5000 (Area Code) (Telephone Number)
Mail Address	3333 Quality Drive..... Rancho Cordova CA US 95670 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	3333 Quality Drive..... Rancho Cordova CA US 95670 (Street and Number) (City or Town, State, Country and Zip Code)	916-851-5000 (Area Code) (Telephone Number)
Internet Web Site Address	www.vsp.com	
Statutory Statement Contact	Laura Olson (Name) laurol@vsp.com (E-Mail Address)	916-851-5000 (Area Code) (Telephone Number) (Extension) 916-463-9040 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Kate Alison Renwick-Espinosa #	President	2. James Michael McGrann	Secretary
3. Lester Earl Passuello	Treasurer	4.	

OTHER

DIRECTORS OR TRUSTEES

Kate Alison Renwick-Espinosa # James Michael McGrann Donald Joseph Ball, Jr.

State of..... California
County of..... Sacramento

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.

(Signature) Kate Alison Renwick-Espinosa	(Signature) James Michael McGrann	(Signature) Lester Earl Passuello
1. (Printed Name) President	2. (Printed Name) Secretary	3. (Printed Name) Treasurer
(Title)	(Title)	(Title)
Subscribed and sworn to before me This _____ day of _____ 2016 By: Kate Alison Renwick-Espinosa, James Michael McGrann, Lester Earl Passuello	a. Is this an original filing? b. If no 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [X] No [] _____ _____ _____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	4,929,373		4,929,373	16,163,436
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	22,399		22,399	21,463
2.2 Common stocks.....	11,686,001		11,686,001	15,571,187
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 (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....9,753,387, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....255,514, Schedule DA).....	10,008,901		10,008,901	17,403,961
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	777,171	777,171	0	
9. Receivables for securities.....			0	19,917
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	27,423,845	777,171	26,646,674	49,179,964
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	21,011		21,011	88,899
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	2,355,482	26,220	2,329,262	1,900,666
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			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.....	3,369,267	816	3,368,451	3,153,721
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	308,626		308,626	
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 (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	33,478,231	804,207	32,674,024	54,323,250
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	33,478,231	804,207	32,674,024	54,323,250

DETAILS OF WRITE-INS				
1101.			0	
1102.			0	
1103.			0	
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.			0	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	4,702,323		4,702,323	4,536,199
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	66,609		66,609	50,956
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	678,494		678,494	586,221
9. General expenses due or accrued.....	63,779		63,779	58,612
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	1,282,391		1,282,391	1,128,698
10.2 Net deferred tax liability.....			0	651,787
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....	211,214		211,214	35
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	611,882		611,882	1,182,315
16. Derivatives.....			0	
17. Payable for securities.....			0	75,682
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	593,525		593,525	581,429
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	1,064,362	0	1,064,362	1,017,908
24. Total liabilities (Lines 1 to 23).....	9,274,579	0	9,274,579	9,869,842
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	1,760,796	1,901,411
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	500,000	500,000
31. Unassigned funds (surplus).....	XXX	XXX	21,138,649	42,051,997
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	23,399,445	44,453,408
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	32,674,024	54,323,250

DETAILS OF WRITE-INS

2301. Taxes, licenses and fees due or accrued.....	1,001,949		1,001,949	955,529
2302. Escheatable checks.....	62,413		62,413	62,379
2303.			0	
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).....	1,064,362	0	1,064,362	1,017,908
2501. Health Insurer Assessment.....	XXX	XXX	1,760,796	1,901,411
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	1,760,796	1,901,411
3001. Statutory Reserve.....	XXX	XXX	500,000	500,000
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	500,000	500,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	16,405,503	15,860,602
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	100,045,234	94,597,559
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....		
4. Fee-for-service (net of \$.....15,721,569 medical expenses).....	XXX.....	3,039,748	2,971,327
5. Risk revenue.....	XXX.....	46,030	330,709
6. Aggregate write-ins for other health care related revenues.....	XXX.....	.0	.0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	.0	.0
8. Total revenues (Lines 2 to 7).....	XXX.....	103,131,012	97,899,595
Hospital and Medical:			
9. Hospital/medical benefits.....			
10. Other professional services.....		78,106,289	75,489,530
11. Outside referrals.....			
12. Emergency room and out-of-area.....			
13. Prescription drugs.....			
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	.0	78,106,289	75,489,530
Less:			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....	.0	78,106,289	75,489,530
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....		1,149,846	1,014,270
21. General administrative expenses.....		14,005,968	12,191,067
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	.0	93,262,103	88,694,867
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	9,868,909	9,204,728
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		430,515	670,768
26. Net realized capital gains or (losses) less capital gains tax of \$....857,826.....		1,593,106	374,860
27. Net investment gains or (losses) (Lines 25 plus 26).....	.0	2,023,621	1,045,628
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$....17,461)].....		(17,461)	(5,549)
29. Aggregate write-ins for other income or expenses.....	.0	.0	(4,117,810)
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.....	11,875,069	6,126,997
31. Federal and foreign income taxes incurred.....	XXX.....	4,150,966	3,665,997
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	7,724,103	2,461,000

DETAILS OF WRITE-INS			
0601.	XXX.....		
0602.	XXX.....		
0603.	XXX.....		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	.0	.0
0701.	XXX.....		
0702.	XXX.....		
0703.	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	.0	.0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	.0	.0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	.0	.0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	.0	.0	.0
2901. Lab expenses.....			(49,632,437)
2902. Lab Revenue.....			45,514,627
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	.0	(4,117,810)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	44,453,408	39,861,455
34. Net income or (loss) from Line 32.....	7,724,103	2,461,000
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$....(969,715).....	(1,800,901)	28,186
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	(9,302)	(2,219,020)
39. Change in nonadmitted assets.....	3,032,137	11,121,787
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....		
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....	(30,000,000)	(6,800,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(21,053,963)	4,591,953
49. Capital and surplus end of reporting period (Line 33 plus 48).....	23,399,445	44,453,408

DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	99,708,132	94,755,750
2. Net investment income.....	550,110	881,550
3. Miscellaneous income.....	3,085,778	3,302,036
4. Total (Lines 1 through 3).....	103,344,020	98,939,336
5. Benefit and loss related payments.....	77,940,165	75,403,758
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	15,298,586	20,867,126
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses).....	4,855,099	2,923,348
10. Total (Lines 5 through 9).....	98,093,850	99,194,232
11. Net cash from operations (Line 4 minus Line 10).....	5,250,171	(254,896)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	14,110,917	5,070,000
12.2 Stocks.....	16,814,461	5,004,383
12.3 Mortgage loans.....		
12.4 Real estate.....		2,781,250
12.5 Other invested assets.....	3,022,867	2,890,096
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....	19,917	66,256
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	33,968,162	15,811,985
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,914,168	6,719,665
13.2 Stocks.....	13,264,289	6,492,920
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	75,682	13,968
13.7 Total investments acquired (Lines 13.1 to 13.6).....	16,254,138	13,226,553
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	17,714,024	2,585,432
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	30,000,000	6,800,000
16.6 Other cash provided (applied).....	(359,254)	5,543,817
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(30,359,254)	(1,256,183)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(7,395,060)	1,074,353
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	17,403,961	16,329,607
19.2 End of year (Line 18 plus Line 19.1).....	10,008,901	17,403,961
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 .....	.....	.....

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....				0
2.	Medicare supplement.....				0
3.	Dental only.....				0
4.	Vision only.....	100,045,234			100,045,234
5.	Federal employees health benefits plan.....				0
6.	Title XVIII - Medicare.....				0
7.	Title XIX - Medicaid.....				0
8.	Other health.....				0
9.	Health subtotal (Lines 1 through 8).....	100,045,234	0	0	100,045,234
10.	Life.....				0
11.	Property/casualty.....				0
12.	Totals (Lines 9 to 11).....	100,045,234	0	0	100,045,234

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and 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.....	77,940,165				77,940,165					
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	77,940,165	0	0	0	77,940,165	0	0	0	0	0
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	4,702,323				4,702,323					
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	4,702,323	0	0	0	4,702,323	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0									
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.....	4,536,199				4,536,199					
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	4,536,199	0	0	0	4,536,199	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	0									
12. Incurred benefits:										
12.1 Direct.....	78,106,289	0	0	0	78,106,289	0	0	0	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
12.4 Net.....	78,106,289	0	0	0	78,106,289	0	0	0	0	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	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.....	1,414,930				1,414,930					
1.2 Reinsurance assumed.....	.0									
1.3 Reinsurance ceded.....	.0									
1.4 Net.....	1,414,930	.0	.0	.0	1,414,930	.0	.0	.0	.0	.0
2. Incurred but unreported:										
2.1 Direct.....	3,287,393				3,287,393					
2.2 Reinsurance assumed.....	.0									
2.3 Reinsurance ceded.....	.0									
2.4 Net.....	3,287,393	.0	.0	.0	3,287,393	.0	.0	.0	.0	.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.....	4,702,323	.0	.0	.0	4,702,323	.0	.0	.0	.0	.0
4.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net.....	4,702,323	.0	.0	.0	4,702,323	.0	.0	.0	.0	.0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical).....					0	
2. Medicare supplement.....					0	
3. Dental only.....					0	
4. Vision only.....	4,113,886	73,826,279		4,702,323	4,113,886	4,536,199
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	4,113,886	73,826,279	0	4,702,323	4,113,886	4,536,199
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9 - 10 + 11 + 12).....	4,113,886	73,826,279	0	4,702,323	4,113,886	4,536,199

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED 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.....	66,694	66,694	66,694	66,694	66,694
2. 2011.....	64,348	68,275	68,275	68,275	68,275
3. 2012.....	.XXX	68,046	71,921	71,921	71,921
4. 2013.....	.XXX	.XXX	68,687	72,483	72,483
5. 2014.....	.XXX	.XXX	.XXX	71,608	75,722
6. 2015.....	.XXX	.XXX	.XXX	.XXX	73,826

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.....	66,694	66,694	66,694	66,694	66,694
2. 2011.....	68,743	68,275	68,275	68,275	68,275
3. 2012.....	.XXX	72,636	71,921	71,921	71,921
4. 2013.....	.XXX	.XXX	73,138	72,483	72,483
5. 2014.....	.XXX	.XXX	.XXX	76,144	75,722
6. 2015.....	.XXX	.XXX	.XXX	.XXX	78,529

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011.....	81,906	68,275	823	1.2	69,098	84.4			69,098	84.4
2. 2012.....	87,674	71,921	721	1.0	72,642	82.9			72,642	82.9
3. 2013.....	90,535	72,483	979	1.4	73,462	81.1			73,462	81.1
4. 2014.....	94,598	75,722	1,179	1.6	76,901	81.3			76,901	81.3
5. 2015.....	100,045	73,826	1,278	1.7	75,104	75.1	4,702	67	79,873	79.8

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED 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.....	66,694	66,694	66,694	66,694	66,694
2. 2011.....	64,348	68,275	68,275	68,275	68,275
3. 2012.....	XXX	68,046	71,921	71,921	71,921
4. 2013.....	XXX	XXX	68,687	72,483	72,483
5. 2014.....	XXX	XXX	XXX	71,608	75,722
6. 2015.....	XXX	XXX	XXX	XXX	73,826

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.....	66,694	66,694	66,694	66,694	66,694
2. 2011.....	68,743	68,275	68,275	68,275	68,275
3. 2012.....	XXX	72,636	71,921	71,921	71,921
4. 2013.....	XXX	XXX	73,138	72,483	72,483
5. 2014.....	XXX	XXX	XXX	76,144	75,722
6. 2015.....	XXX	XXX	XXX	XXX	78,529

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011.....	81,906	68,275	823	1.2	69,098	84.4			69,098	84.4
2. 2012.....	87,674	71,921	721	1.0	72,642	82.9			72,642	82.9
3. 2013.....	90,535	72,483	979	1.4	73,462	81.1			73,462	81.1
4. 2014.....	94,598	75,722	1,179	1.6	76,901	81.3			76,901	81.3
5. 2015.....	100,045	73,826	1,278	1.7	75,104	75.1	4,702	67	79,873	79.8

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only
NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....		54,703	492,326		547,029
2. Salaries, wages and other benefits.....		918,091	8,257,379	5,444	9,180,914
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			1,841,734		1,841,734
4. Legal fees and expenses.....					0
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....		44,214	418,329		462,543
7. Traveling expenses.....		27,138	244,246		271,384
8. Marketing and advertising.....		89,726	807,535		897,261
9. Postage, express and telephone.....		26,496	238,463		264,959
10. Printing and office supplies.....		9,613	86,519		96,132
11. Occupancy, depreciation and amortization.....		69,535	625,816		695,351
12. Equipment.....		84,705	760,465	1,880	847,050
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....		97,996	881,964		979,960
15. Boards, bureaus and association fees.....		11,978	107,806		119,784
16. Insurance, except on real estate.....		4,872	43,848		48,720
17. Collection and bank service charges.....					0
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....		(319,971)	(3,899,525)		(4,219,496)
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....			1,014,296		1,014,296
23.3 Regulatory authority licenses and fees.....			33,805		33,805
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....			1,774,229		1,774,229
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	30,748	276,735	0	307,483
26. Total expenses incurred (Lines 1 to 25).....	0	1,149,844	14,005,970	7,324	(a) 15,163,138
27. Less expenses unpaid December 31, current year.....		66,609	63,779		130,388
28. Add expenses unpaid December 31, prior year.....		50,956	58,612		109,568
29. Amounts receivable relating to uninsured plans, prior year.....		3,164,587			3,164,587
30. Amounts receivable relating to uninsured plans, current year.....		3,369,267			3,369,267
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	0	1,338,871	14,000,803	7,324	15,346,998

DETAILS OF WRITE-INS

2501. Other Expenses.....		30,748	276,735		307,483
2502.					0
2503.					0
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).....	0	30,748	276,735	0	307,483

(a) Includes management fees of \$.....14,698,172 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....3,652	.....2,872
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....192,174	.....136,497
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....201	.....201
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....334,906	.....322,702
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....324	.....1,095
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....109,161	.....109,161
10. Total gross investment income.....	.....640,418	.....572,528
11. Investment expenses.....	.....	(g).....7,324
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....134,689
16. Total deductions (Lines 11 through 15).....	.....	.....142,013
17. Net investment income (Line 10 minus Line 16).....	.....	.....430,515

DETAILS OF WRITE-INS

0901. Interest on Intercompany Loans.....	.....109,161	.....109,161
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....109,161	.....109,161
1501. Equity Management Fee.....	.....	.....134,689
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).....	.....	.....134,689

- (a) Includes \$.....6,046 accrual of discount less \$.....57,753 amortization of premium and less \$.....7,050 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$.....260 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....	.....	.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....14,394	.....	.....14,394	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....937	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....2,436,537	.....	.....2,436,537	.....(2,771,552)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....2,450,931	.....0	.....2,450,931	.....(2,770,615)	.....0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.....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).....	.....777,171	.....3,800,037	.....3,022,866
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).....	.....777,171	.....3,800,037	.....3,022,866
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.....	.....26,220	.....25,441	.....(779)
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.....	.....816	.....10,866	.....10,050
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.....			.....0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.....0
23. Receivables from parent, subsidiaries and affiliates.....			.....0
24. Health care and other amounts receivable.....			.....0
25. Aggregate write-ins for other than invested assets.....	.....0	.....0	.....0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....804,207	.....3,836,344	.....3,032,137
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
28. TOTALS (Lines 26 and 27).....	.....804,207	.....3,836,344	.....3,032,137

DETAILS OF WRITE-INS

1101. ....			.....0
1102. ....			.....0
1103. ....			.....0
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. ....			.....0
2502. ....			.....0
2503. ....			.....0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....0	.....0	.....0

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.....						
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	1,321,581	1,371,613	1,368,814	1,363,616	1,366,656	16,405,503
7. Total.....	1,321,581	1,371,613	1,368,814	1,363,616	1,366,656	16,405,503

DETAILS OF WRITE-INS						
0601. Vision only.....	1,321,581	1,371,613	1,368,814	1,363,616	1,366,656	16,405,503
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).....	1,321,581	1,371,613	1,368,814	1,363,616	1,366,656	16,405,503

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices

	State of Domicile	2015	2014
NET INCOME			
(1) Vision Service Plan state basis (Page 4, Line 32, Columns 2 &3)	OH	\$ 7,724,103	\$ 2,461,000
(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)	OH	\$ 7,724,103	\$ 2,461,000
SURPLUS			
(5) Vision Service Plan state basis (Page 3, line 33, Columns 3 & 4)	OH	\$ 23,399,445	\$ 44,453,408
(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)	OH	\$ 23,399,445	\$ 44,453,408

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

The preparation of financial statements in conformity with the Annual Statement Instructions and Accounting Practices and Procedures manual requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are recognized over the period of coverage and are generally based on the number of eligible participants. Receivables and related premiums are estimated based on the most recent eligibility received from clients under the program. Net revenue relating to uninsured plans is recorded as an offset to claims adjustment expenses and general administrative expenses. In addition, the Company uses the following accounting policies:

1. Short-term Investments: Short-term investments are stated at amortized cost.

2. Bonds: Bonds are stated at amortized cost using the interest method.

3. Stocks: Stocks are stated at market value.

4. Preferred Stock: Preferred stocks are stated at market value.

5. Mortgage Loans: The Company has no mortgaged loans.

6. Loan-backed Securities: The Company has no loan-backed securities.

7. Investments in Subsidiaries: The Company has no investments in subsidiaries.

8. Investments in Joint Ventures, Partnerships and Limited Liability Companies: The Company has no investments in Joint Ventures, Partnerships and Limited Liability Companies.

9. Derivatives: The Company has no derivatives.

10. Premium Deficiency Calculation: The Company does not utilize anticipated investment income as a factor in the calculation of premium deficiency.

11. Liabilities for Claims Unpaid and Related Expenses: Claims unpaid and related expenses represent the estimated liability for claims reported to the Company, claims incurred but not yet reported and unpaid claims adjustment expenses.

12. The Company has not modified its capitalization policy from the prior period.

13. The Company has no pharmaceutical rebate receivables.

D. Going Concern

There is no doubt about the Company’s ability to continue as a going concern.

NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

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

NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL

The Company has no business combinations or goodwill.

NOTE 4 – DISCONTINUED OPERATIONS

The Company has no discontinued operations.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – INVESTMENTS

- A. Mortgage Loans, including Mezzanine Real Estate Loans – The Company has no mortgaged loans.
- B. Debt Restructuring - The Company has no restructured debt.
- C. Reverse Mortgages – The Company has no reverse mortgages.
- D. Loan-Backed Securities – The Company does not hold any loan-backed securities.
- E. Repurchase Agreements and/or Securities Lending Transactions – The Company has no repurchase agreements or securities lending transactions.
- F. Real Estate - The Company owns no real estate.
- G. Investments in Low-Income Housing Trade Credits (LIHTC) - The Company has no LIHTC
- H. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Additional Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown						
b. Collateral held under security lending arrangements						
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. LFHLB capital stock						
j. On deposit with states	156,106	150,026	6,080	156,106	0.466	0.478
k. On deposit with other regulatory bodies						
l. Pledged as collateral to FHLB (including assets backing funding agreements)						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						
o. Total Restricted Assets	156,106	150,026	6,080	156,106	0.466	0.478
(a) Subset of column 1						
(b) Subset of column 3						

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contacts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not applicable.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not applicable.

- I. Working Capital Finance Investments - The Company has no working capital finance investments.
- J. Offsetting and Netting of Assets and Liabilities - The Company does not offset derivative, repurchase and reverse repurchase and securities borrowing and lending assets and liabilities.
- K. Structured Notes - The Company has no structured notes.

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The Company has no joint ventures, partnerships or limited liability companies.

NOTE 7 – INVESTMENT INCOME

The Company has not excluded any investment income.

NOTE 8 – DERIVATIVE INSTRUMENTS

The Company has no derivative instruments

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – INCOME TAXES

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 553,949	\$	\$ 553,949	\$ 512,470	\$ 50,781	\$ 563,251	\$ 41,479	\$ (50,781)	\$ (9,302)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	553,949		553,949	512,470	50,781	563,251	41,479	(50,781)	(9,302)
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	553,949		553,949	512,470	50,781	563,251	41,479	(50,781)	(9,302)
f. Deferred tax liabilities		245,323	245,323		1,215,038	1,215,038		(969,715)	(969,715)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 553,949	\$ (245,323)	\$ 308,626	\$ 512,470	\$ (1,164,257)	\$ (651,787)	\$ 41,479	\$ 918,934	\$ 960,413

2. Admission Calculation Components

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 553,949	\$	\$ 553,949	\$ 512,470	\$ 50,781	\$ 563,251	\$ 41,479	\$ (50,781)	\$ (9,302)
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:									
Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
Adjusted gross deferred tax assets allowed per limitation threshold			3,463,623			6,668,011			(3,204,388)
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities									
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	\$ 553,949	\$	\$ 553,949	\$ 512,470	\$ 50,781	\$ 563,251	\$ 41,479	\$ (50,781)	\$ (9,302)

NOTES TO FINANCIAL STATEMENTS

3. Other Admissibility Criteria

		2015	2014
a.	Ratio percentage used to determine recovery period and threshold limitation amount	795.000%	1,533.000%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 23,090,819	\$ 44,453,408

4. 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.

	12/31/15		12/31/14		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 553,949	\$	\$ 512,470	\$ 50,781	\$ 41,479	\$ (50,781)
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)	\$ 553,949	\$	\$ 512,470	\$ 50,781	\$ 41,479	\$ (50,781)
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? No

B. Deferred Tax Liabilities Not Recognized - There are no temporary differences for which a DTL has not been established.

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2015	2 2014	3 (Col 1-2) Change
a. Federal	\$ 4,219,195	\$ 2,480,536	\$ 1,738,659
b. Foreign			
c. Subtotal	\$ 4,219,195	\$ 2,480,536	\$ 1,738,659
d. Federal income tax on net capital gains	857,826	201,848	655,978
e. Utilization of capital loss carry-forwards			
f. Other	(68,229)	1,185,461	(1,253,690)
g. Federal and Foreign income taxes incurred	\$ 5,008,792	\$ 3,867,845	\$ 1,140,947

2. Deferred Tax Assets

	1 2015	2 2014	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 286,544	\$ 281,895	\$ 4,649
2. Unearned premium reserve	246,387	209,858	36,529
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	9,463	12,707	(3,244)
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)	11,555	8,010	3,545
99. Subtotal	\$ 553,949	\$ 512,470	\$ 41,479
b. Statutory valuation allowance adjustment			
c. Nonadmitted			

NOTES TO FINANCIAL STATEMENTS

d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 553,949	\$ 512,470	\$ 41,479
e. Capital:			
1. Investments	\$	\$ 50,781	\$ (50,781)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	\$	\$ 50,781	\$ (50,781)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)		50,781	(50,781)
i. Admitted deferred tax assets (2d+2h)	\$ 553,949	\$ 563,251	\$ (9,302)

3. Deferred Tax Liabilities

	1	2	3
	2015	2014	(Col 1–2) Change
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)			
99. Subtotal	\$	\$	\$
b. Capital:			
1. Investments	\$ 245,323	\$ 1,215,038	\$ (969,715)
2. Real estate			
3. Other (including items <5% of total capital tax liabilities)			
99. Subtotal	245,323	1,215,038	(969,715)
c. Deferred tax liabilities (3a99+3b99)	\$ 245,323	\$ 1,215,038	\$ (969,715)

4. Net Deferred Tax Assets (2i – 3c)	\$ 308,626	\$ (651,787)	\$ 960,413
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D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate
Among the more significant book to tax adjustments were the following:

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 4,456,513	35.0%
Proration of tax exempt investment income		
Tax exempt income deduction	(9,164)	(0.1%)
Dividends received deduction	(53,480)	(0.4%)
Change in non-admitted assets	3,245	0.0%
ACA fee	620,980	4.9%
Temporary Differences:		
Total ordinary DTAs	\$	
Total ordinary DTLs		
Total capital DTAs		
Total capital DTLs		
Other:		
Statutory valuation allowance adjustment	\$	
Accrual adjustment – prior year		
Other		
Totals	\$ 5,018,094	
Federal and foreign income taxes incurred	4,150,966	
Realized capital gains (losses) tax	857,826	
Change in net deferred income taxes	9,302	
Total statutory income taxes	\$ 5,018,094	39.4%

NOTES TO FINANCIAL STATEMENTS

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

At December 31, 2015, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The following is income tax expense for 2015, 2014 and 2013 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Amount
2015	4,219,195	857,826	5,077,021
2014	3,872,762	200,834	4,074,596
2013	0	227,323	227,323

The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

The Company’s federal income tax return is consolidated with the following entities:

Vision Service Plan (CA), Altair Eyewear, Inc., Eyefinity, Inc., Vision Service Plan, Inc. (NV), Eastern Vision Service Plan, Inc., Vision Services Plan, Inc., Oklahoma, Vision Service Plan of Illinois, NFP, Massachusetts Vision Service Plan, Inc., Vision Service Plan (OH), Vision Service Plan Insurance Company (CT), Eastern Vision Service Plan IPA, Inc., Vision Service Plan Insurance Company (MO), VSP Holding Company, Inc., Marchon Eyewear, Inc., Marchon BRL Ltd., Alaska Vision Services, Inc., Indiana Vision Services, Inc., VSP Vision Care, Inc., Southwest Vision Service Plan, Inc., Vision Service Plan (HI), Vision Service Plan of Wyoming, Wisconsin Vision Service Plan, Inc., VSP Optical Group, Inc., Plexus Optix, Inc., VSP Labs, Inc., VSP Ceres, Inc., Eyeconic, Inc., VSP Global, Inc., Optical Opportunities, Eyefinity Europe, VSP Retail Development Holding, Inc, VSP Retail, Inc.

2. The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

- A. The Company is a wholly owned subsidiary of Vision Service Plan (a California non-profit corporation).
- B. The Company entered into a promissory note on March 29, 2011 with parent, Vision Service Plan. The \$14,000,000 note receivable maturing in March 2016 requires Vision Service Plan to pay the Company sixty equal monthly installments of principal and interest commencing in April 2011. The interest rate is 4.5%.
- C. The Company incurred expenses during 2015 and 2014 of \$14,698,172 and \$13,358,538 respectively, for such services.
- D. The amount due to Vision Service Plan as of December 31, 2015 and 2014 is \$611,882 and \$1,182,315, respectively.
- E. There are no guarantees or undertakings in place between the Company and any related party.
- F. Vision Service Plan provides the Company with data processing, employee related services and other administrative services for an agreed upon fee under the Administrative and Marketing Agreement.
- G. Not applicable.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. Not applicable.

NOTE 11 – DEBT

The Company has no capital notes, obligations or FHLB agreements.

NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has no retirement plans, deferred compensation, postemployment benefits or compensated balances and postretirement benefit plans.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- (1)Not applicable.
- (2)Not applicable.
- (3)Not applicable.
- (4)The Company approved an extraordinary distribution in the amount of \$30M to its parent company, Vision Service Plan (California) on June 8, 2015. The distribution was paid on August 7, 2015.
- (5)Not applicable.
- (6)Not applicable.
- (7)Not applicable.
- (8)Not applicable.
- (9)Not applicable.
- (10)The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is: \$700,923.
- (11)Not applicable.
- (12)Not applicable.
- (13)Not applicable.

NOTE 14 – CONTINGENCIES

The Company has no contingencies to disclose.

NOTE 15 – LEASES

The Company has no leases.

NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable.

NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

The Company does not sell, transfer or service financial instruments or extinguishments of liabilities. The Company has no wash sales.

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

B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and he uninsured portion of partially insured plans was as follows during 2015:

		ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASCO
a.	Gross reimbursement for medical cost incurred	\$ 33,955,670	\$	\$ 33,955,670
b.	Gross administrative fees accrued	3,598,553		3,598,553
c.	Other income or expenses (including interest paid to or received from plans)	(5,799,800)		(5,799,800)
d.	Gross expenses incurred (claims and administrative)	33,334,726		33,334,726
e.	Total net gain or loss from operations	\$ (1,580,303)	\$	\$ (1,580,303)

NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

The Company has no premiums written by managing general agents or third party administrators.

NOTES TO FINANCIAL STATEMENTS

NOTE 20 – FAIR VALUE MEASUREMENTS

- A.
- (1) Fair Value Measurements at Reporting Date
- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Equities	\$ 11,686,001	\$ 22,399	\$	\$ 11,708,400
Total	\$ 11,686,001	\$ 22,399	\$	\$ 11,708,400

Liabilities at Fair Value	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Total	\$	\$	\$	\$

	Beginning Balance at 1/1/2015	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	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

	Beginning Balance at 1/1/2015	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
b. Liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
- B. Not applicable.

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Short-term Investments	\$ 255,514	\$ 255,514	\$ 255,514	\$	\$	\$
Bonds	4,921,789	4,929,373	155,859	4,765,930		
Perferred Stock	22,399	22,399		22,399		
Common Stock	11,686,001	11,686,001	11,686,001			

- D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
	\$	%		

NOTE 21. – OTHER ITEMS

- A. Unusual or Infrequent Items – The Company has no unusual or infrequent items to disclose.
- B. Troubled Debt Restructuring Debtors - The Company has no troubled debt restructuring.
- C. Other Disclosures and Unusual Items - The Company has no other unusual items.
- D. Business Interruption Insurance Recoveries - The Company has no business interruption insurance recoveries.
- E. State Transferable and Non-Transferable Tax Credits - The Company has no state transferable or non-transferable tax credits.
- F. Subprime Mortgage Related Risk Exposure - The Company has no sub-prime mortgage related risk exposure.
- G. Retained Assets - The Company has no retained asset accounts.

NOTES TO FINANCIAL STATEMENTS

NOTE 22 – EVENTS SUBSEQUENT

Type I - Recognized Subsequent Events:

No events have occurred subsequent to the close of the books or accounts for this statement that may have a material effect on the financial condition of the Company.

Type II - Nonrecognized Subsequent Events:

On January 1, 2016, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers as defined in the guidance, based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2015, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2016 to be \$1,760,796. This amount is reflected in special surplus. This assessment is expected to impact risk based capital by (7.5%). Reporting the ACA assessment as of December 31, 2015 would not have triggered an RBC action level.

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 [X] No []

B.	ACA fee assessment payable for the upcoming year	\$ 1,760,796	\$ 1,901,411
C	ACA fee assessment paid	1,774,229	1,298,719
D.	Premium written subject to ACA 9010 assessment	100,045,234	94,597,559
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 30)	23,399,445	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 30 minus 22B above)	21,638,649	
G.	Authorized control level (Five-Year Historical Line 31)	\$ 2,904,445	

H.

Would reporting the ACA assessment as of December 31, 2015 have triggered an RBC action level (YES/NO)?

Yes [] No [X]

NOTE 23 – REINSURANCE

The Company does not reinsure its business.

NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDTERMINATION

The Company has no retrospectively rated contracts.

E.

Risk Sharing Provisions of the Affordable Care Act

(1) The Company did not write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions.

(2) Not applicable.

NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Activity in claims unpaid and related expenses is summarized as follows:

	<u>2015</u>	<u>2014</u>
BALANCE—January 1	\$ 4,587,155	\$ 4,505,293
Incurred related to:		
Current year	79,944,134	77,361,265
Prior years	<u>(473,269)</u>	<u>(709,473)</u>
Total incurred	79,470,865	76,651,792
Paid related to:		
Current year	(75,104,002)	(72,715,405)
Prior years	<u>(4,185,086)</u>	<u>(3,854,525)</u>
Total paid	<u>(79,289,088)</u>	<u>(76,569,930)</u>
BALANCE—December 31	<u>\$ 4,768,932</u>	<u>\$ 4,587,155</u>

NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS

The Company has no intercompany pooling arrangements.

NOTES TO FINANCIAL STATEMENTS

NOTE 27 – STRUCTURED SETTLEMENTS

The Company has no structured settlements

NOTE 28 – HEALTH CARE RECEIVABLES

The Company has no health care receivables.

NOTE 29 – PARTICIPATING POLICIES

The Company has no participating policies.

NOTE 30 – PREMIUM DEFICIENCY RESERVES

(1)	Liability carried for premium deficiency reserve:	\$ 0
(2)	Date of most recent evaluation of this liability:	January 25, 2016
(3)	Was anticipated investment income utilized in the calculation?	NO

NOTE 31 – ANTICIPATED SALVAGE AND SUBROGATION

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

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

Yes [X] No []

1.2

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

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

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).

05/13/2015

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 [X] No [] N/A []

4.1

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

4.11

sales of new business?

Yes [] No [X]

4.12

renewals?

Yes [] No [X]

4.2

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

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]

5.1

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

Yes [] No [X]

5.2

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

1	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(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).

1	2
Nationality	Type of Entity

8.1

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

1	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?
Deloitte & Touche 555 Mission Street San Francisco, CA 94105

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 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:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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?
Frederick Kilbourne, 16231 Oak Creek Trail, Poway, CA 92064 (independent actuary)
- 12.1

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

Yes [☐] No [☒]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved

0
- 12.13

Total book/adjusted carrying value

\$ 0
- 12.2

If yes, provide explanation
13.

FOR UNITED STATES BRANCES 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 [☒] No [☐]
- (a)

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

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

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

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

Accountability for adherence to the code.
- 14.11

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

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒]
- 14.21

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

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

Yes [☐] No [☒]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [☐] No [☒]
- 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	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	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 subordinator committee thereof?

Yes [☒] No [☐]
17.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator committees thereof?

Yes [☒] No [☐]
18.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [☒] 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 [☒]
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11

To directors or other officers

\$ 0
- 20.12

To stockholders not officers

\$ 0
- 20.13

Trustees, supreme or grand (Fraternal only)

\$ 0
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21

To directors or other officers

\$ 0
- 20.22

To stockholders not officers

\$ 0
- 20.23

Trustees, supreme or grand (Fraternal only)

\$ 0
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes [☐] No [☒]
- 21.2

If yes, state the amount thereof at December 31 of the current year:
- 21.21

Rented from others

\$ 0
- 21.22

Borrowed from others

\$ 0
- 21.23

Leased from others

\$ 0
- 21.24

Other

\$ 0
- 22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [☐] No [☒]
- 22.2

If answer is yes:
- 22.21

Amount paid as losses or risk adjustment

\$ 0
- 22.22

Amount paid as expenses

\$ 0
- 22.23

Other amounts paid

\$ 0
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [☐] No [☒]
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 0

INVESTMENT

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01

Were all of 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 [☐] No [☒ X]

24.02

If no, give full and complete information, relating thereto:
Securities are held by banks or brokers pursuant to safekeeping custodial agreements.

24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?

Yes [☐] No [☐] N/A [☒ X]

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$ 0

24.06

If answer to 24.04 is no, report amount of collateral for other programs

\$ 0

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [☐] No [☐] N/A [☒ X]

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [☐] No [☐] N/A [☒ X]

24.09.

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [☐] No [☐] N/A [☒ X]

24.10

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

24.101

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$ 0

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$ 0

24.103

Total payable for securities lending reported on the liability page:

\$ 0

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current 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 of the current year:

25.21

Subject to repurchase agreements

\$ 0

25.22

Subject to reverse repurchase agreements

\$ 0

25.23

Subject to dollar repurchase agreements

\$ 0

25.24

Subject to reverse dollar repurchase agreements

\$ 0

25.25

Placed under option agreements

\$ 0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$ 0

25.27

FHLB Capital Stock

\$ 0

25.28

On deposit with states

\$ 156,106

25.29

On deposit with other regulatory bodies

\$ 0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$ 0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$ 0

25.32

Other

\$ 0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1

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

Yes [☐] No [☒ X]

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes [☐] No [☐] N/A [☒ X]

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 of the current year:

\$ 0

28.

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

Yes [☒ X] No [☐]

28.01

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

1 Name of Custodian(s)	2 Custodian Address
Wells Fargo Advisors	2295 Iron Point Rd. Ste. 280, Folsom, CA 95630
Wells Fargo Institutional Securities, LLC	400 Capitol Mall, Sacramento, CA 95814
Robert W. Baird & Co.	1400 Rocky Ridge Dr. Ste. 250, Roseville, CA 95661

28.02

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

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

28.03

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

Yes [☐] No [☒ X]

28.04

If yes, give full and complete information relating thereto:

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

28.05

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

1 Central Registration Depository	2 Name(s)	3 Address
0547	Robert W. Baird & Co.	1400 Rocky Ridge Dr., Roseville, CA 95661

27.2

GENERAL INTERROGATORIES

PART 1 - COMMON 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 [☒]

29.2

If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

29.3

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

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

30.

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	5,184,888	5,177,303	(7,585)
30.2	Preferred Stocks	22,399	22,399	0
30.3	Totals	5,207,287	5,199,702	(7,585)

30.4

Describe the sources or methods utilized in determining fair values:
The fair values were obtained from McGraw Hill - S&P Capital, a pricing service, or from other reliable independent sources when not available from S&P Capital IQ.

31.1

Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [☒] No [☐]

31.2

If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [☒] No [☐]

31.3

If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance 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 [☒] No [☐]

32.2

If no, list exceptions:

OTHER

33.1

Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$ 0

33.2

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

1 Name	2 Amount Paid
	\$

34.1

Amount of payments for legal expenses, if any?

\$ 0

34.2

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

1 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?

\$ 0

35.2

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

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]	
1.2	If yes, indicate premium earned on U.S. business only.	\$		0	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$		0	
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2 above.	\$		0	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$		0	
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned	\$		0	
1.62	Total incurred claims	\$		0	
1.63	Number of covered lives	\$		0	
	All years prior to most current three years:				
1.64	Total premium earned	\$		0	
1.65	Total incurred claims	\$		0	
1.66	Number of covered lives	\$		0	
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned	\$		0	
1.72	Total incurred claims	\$		0	
1.73	Number of covered lives	\$		0	
	All years prior to most current three years:				
1.74	Total premium earned	\$		0	
1.75	Total incurred claims	\$		0	
1.76	Number of covered lives	\$		0	
2.	Health Test:				
		1	2		
		Current Year	Prior Year		
2.1	Premium Numerator	\$	100,045,234	\$	94,597,559
2.2	Premium Denominator	\$	100,045,234	\$	94,597,559
2.3	Premium Ratio (2.1/2.2)	\$	100.000	\$	100.000
2.4	Reserve Numerator	\$	4,702,323	\$	4,536,199
2.5	Reserve Denominator	\$	4,702,323	\$	4,536,199
2.6	Reserve Ratio (2.4/2.5)	\$	100.000	\$	100.000
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?			Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
5.1	Does the reporting entity have stop-loss reinsurance?			Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
5.2	If no, explain:				
5.3	Maximum retained risk (see instructions)				
5.31	Comprehensive Medical	\$		0	
5.32	Medical Only	\$		0	
5.33	Medicare Supplement	\$		0	
5.34	Dental and Vision	\$		200	
5.35	Other Limited Benefit Plan	\$		0	
5.36	Other	\$		0	
6.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:				
	<u>The Company's agreements with its member Doctors prohibits them from seeking payment (except for copayment, if any) from, or bringing any legal action against the Company's subscribers or their dependents for the Company's covered services. The Company maintains other arrangements of this type to the extent required by law.</u>				
7.1	Does the reporting entity set up its claim liability for provider services on a service date basis?			Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

1,406

8.2

Number of providers at end of reporting year

1,429

9.1

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

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees with rate guarantees between 15-36 months

\$0

9.22

Business with rate guarantees over 36 months

\$0

10.1

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

Yes [] No [X]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$0

10.22

Amount actually paid for year bonuses

\$0

10.23

Maximum amount payable withholds

\$0

10.24

Amount actually paid for year withholds

\$0

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [] No [X]

11.13

An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14

A Mixed Model (combination of above)?

Yes [] No [X]

11.2

Is the reporting entity subject to 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.

\$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
Ohio

13.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2

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

\$0

13.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4

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

\$0

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 Letters of Credit	6 Trust Agreements	7 Other
	0		\$	\$	\$	\$

15.

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

15.1

Direct Premium Written

\$0

15.2

Total Incurred Claims

\$0

15.3

Number of Covered Lives

0

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

FIVE-YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	32,674,024	54,323,250	55,859,229	48,076,366	57,912,362
2. Total liabilities (Page 3, Line 24).....	9,274,579	9,869,842	15,997,774	14,183,962	12,600,699
3. Statutory minimum capital and surplus requirement.....	500,000	500,000	500,000	500,000	500,000
4. Total capital and surplus (Page 3, Line 33).....	23,399,445	44,453,408	39,861,455	33,892,404	45,311,655
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	103,131,012	97,899,595	93,092,128	118,993,355	101,685,667
6. Total medical and hospital expenses (Line 18).....	78,106,289	75,489,530	72,422,560	72,168,510	68,674,928
7. Claims adjustment expenses (Line 20).....	1,149,846	1,014,270	912,688	842,306	606,522
8. Total administrative expenses (Line 21).....	14,005,968	12,191,067	9,168,130	8,580,141	7,662,970
9. Net underwriting gain (loss) (Line 24).....	9,868,909	9,204,728	10,588,750	36,576,020	25,089,171
10. Net investment gain (loss) (Line 27).....	2,023,621	1,045,628	1,200,629	882,147	1,613,675
11. Total other income (Lines 28 plus 29).....	(17,461)	(4,123,359)	(1,897,331)	(30,782,792)	(18,504,992)
12. Net income or (loss) (Line 32).....	7,724,103	2,461,000	6,905,793	4,222,470	6,118,674
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	5,250,171	(254,896)	6,336,395	5,825,379	8,791,396
Risk-Based Capital Analysis					
14. Total adjusted capital.....	23,399,445	44,453,408	39,861,455	33,892,404	45,311,655
15. Authorized control level risk-based capital.....	2,904,445	2,900,470	2,796,835	2,645,099	2,483,730
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	1,366,656	1,321,581	1,264,709	1,231,878	1,095,665
17. Total member months (Column 6, Line 7).....	16,405,503	15,860,602	15,139,969	15,931,692	13,453,190
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	78.0	79.5	79.9	82.1	83.6
20. Cost containment expenses.....					
21. Other claims adjustment expenses.....	1.1	1.1	1.0	1.0	0.7
22. Total underwriting deductions (Line 23).....	93.2	93.4	91.0	93.8	93.2
23. Total underwriting gain (loss) (Line 24).....	9.9	9.7	11.7	41.6	30.5
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	4,113,886	3,795,820	3,875,088	3,926,931	3,867,186
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	4,536,199	4,450,427	4,590,170	4,394,449	3,934,943
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

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

Yes []No []

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
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	...N.....							.....0	
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.....	..100,045,234						.....100,045,234	
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	.....0
59.	Subtotal.....	...XXX.....	..100,045,234	.....0	.....0	.....0	.....0	.....0	.....100,045,234	.....0
60.	Reporting entity contributions for Employee Benefit Plans.....	...XXX.....							.....0	
61.	Total (Direct Business).....	(a).....1	..100,045,234	.....0	.....0	.....0	.....0	.....0	.....100,045,234	.....0

DETAILS OF WRITE-INS									
58001. ....								.....0	
58002. ....								.....0	
58003. ....								.....0	
58998. Summary of remaining write-ins for line 58.....		.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58999. Total (Lines 58001 thru 58003 + 58998).....		.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

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

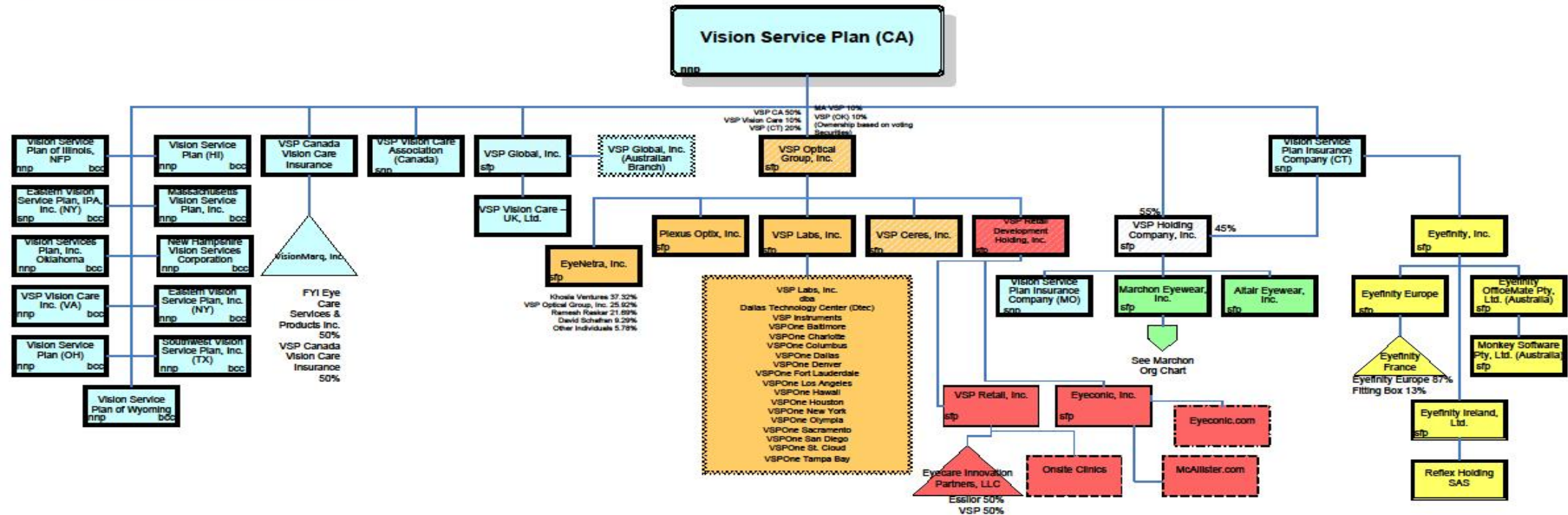
Explanation of basis of allocation by states, premiums by state, etc.
The Company allocates based on the situs of the contract

(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

Organizational Chart, Vision Service Plan



Insurance Entities	FEIN	NAIC	Other Entities	FEIN
Eastern Vision Service Plan, Inc.	22-2777159	47029	Altair Eyewear, Inc.	68-0295156
Eastern Vision Service Plan IFA, Inc.	20-1949500	None	Eyeworks Innovation Partners, LLC	46-1148774
Massachusetts Vision Service Plan, Inc.	47-18308	None	Eyeworks, Inc.	23-107279
New Hampshire Vision Services Corporation	23-7375665	None	Eyefinity, Inc.	68-0450459
Southwest Vision Service Plan, Inc.	75-1769288	None	Marchon Eyewear, Inc.	11-2617364
Vision Service Plan (CA)	94-1633821	None	Plexus Optix, Inc.	27-0621213
Vision Service Plan (HI)	99-0247673	None	VSP Cerco, Inc.	27-5016913
Vision Service Plan (OH)	31-0725743	54380	VSP Global, Inc.	27-0933693
Vision Service Plan Insurance Company (CT)	06-1227840	39616	VSP Holding Company, Inc.	26-1998748
Vision Service Plan Insurance Company (MO)	36-3560825	32395	VSP Labs, Inc.	27-0621143
Vision Service Plan of Illinois, NFP	20-0891619	12516	VSP Optical Group, Inc.	27-0621064
Vision Services Plan, Inc., Oklahoma	73-1004909	47097	VSP Retail Development Holding, Inc.	46-5303037
Vision Service Plan of Wyoming	83-0212963	None	VSP Retail, Inc.	46-5406960
VSP Vision Care, Inc.	23-7089668	53031		

Legend	
	Vision Benefits Company
	Eyewear Company
	Practice Solutions Company
	Ophthalmic Operations Company
	Holding Company
	Corporate division or DBA
	Joint Venture
	Retail

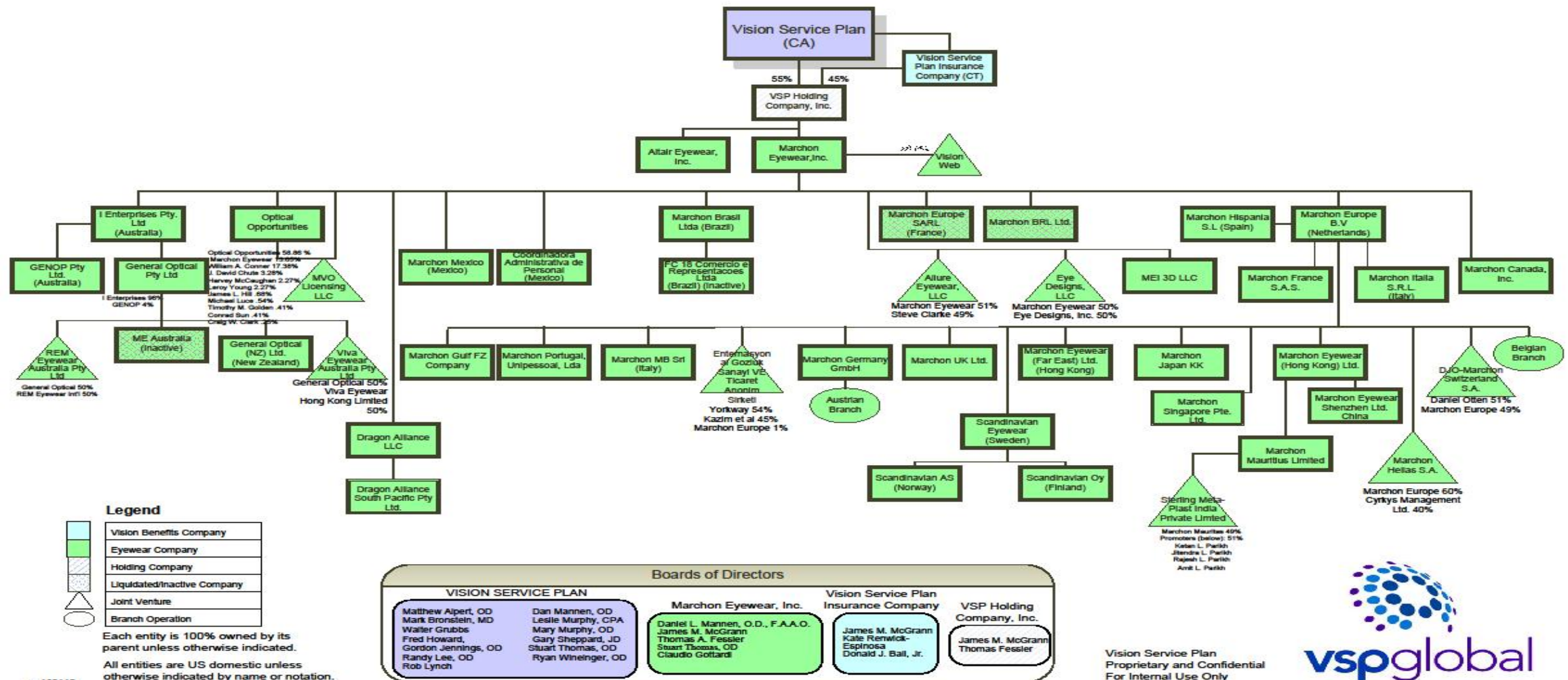
nnp	Non-Stock, non-profit corporation
snp	Stock, non-profit corporation
sfp	Stock, for-profit corporation
bcc	Board-controlled corporation
xx%	Ownership percentage

Each entity is 100% owned by its parent unless otherwise indicated

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

PART 1 – ORGANIZATIONAL CHART

Organizational Chart, Marchon Eyewear, Inc.



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

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