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2016

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ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE
Summa Insurance Company, Inc.

NAIC Group Code	3259 (Current Period)	3259 (Prior Period)	NAIC Company Code	10649	Employer's ID Number	34-1809108
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		OH	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[<input checked="" type="checkbox"/>] Dental Service Corporation[<input type="checkbox"/>] Other[<input type="checkbox"/>]	Property/Casualty[<input checked="" type="checkbox"/>] Vision Service Corporation[<input type="checkbox"/>] Is HMO Federally Qualified? Yes[<input type="checkbox"/>] No[<input checked="" type="checkbox"/>] N/A[<input type="checkbox"/>]	Hospital, Medical & Dental Service or Indemnity[<input type="checkbox"/>] Health Maintenance Organization[<input type="checkbox"/>]			
Incorporated/Organized	08/07/1995		Commenced Business	02/01/1996		
Statutory Home Office	10 North Main Street (Street and Number)		Akron, OH, 44308 (City or Town, State, Country and Zip Code)			
Main Administrative Office	10 North Main Street (Street and Number)		Akron, OH, 44308 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	10 North Main Street (Street and Number)		Akron, OH, 44308 (City or Town, State, Country and Zip Code)			
Internet Website Address	SummaCare.com		(Area Code) (Telephone Number)			
Statutory Statement Contact	Roy Douglas Hall (Name) hallroy@summacare.com (E-Mail Address)		(330)996-8410-62057 (Area Code)(Telephone Number)(Extension) (330)996-8553 (Fax Number)			

OFFICERS

Name	Title
Kathleen Tirbovich Geier	Chair
Robert Andrew Gerberry	Secretary
Brian Keith Derrick	Treasurer
Robert Stephen Paskowski	Interim President #

OTHERS

Anne Armao, VP - Marketing & Product Development
Keith Johnson, VP - Third Party Administrator
Donald Novosel, VP - Contracting & Network Development
Dennis Pijor, VP - Finance, CFO
Stephen Adamson, VP - Client Services #

Kevin Cavalier, VP - Sales
James Loveless, VP - Individual Product Line
Charles Zonfa M.D., Chief Medical Officer #
Robert Paskowski, Interim President #

DIRECTORS OR TRUSTEES

Kathleen Tirbovich Geier
James Ross McIlvaine
Benjamin Paul Sutton
Brian Keith Derrick
Steven Aaron Eisenberg #
Russell Floyd Mohawk #

Thomas Anthony Malone M.D.
Rajiv Vishnu Taliwal M.D.
Lydia Alexander Cook M.D.
Robert Stephen Paskowski #
Henry Leigh Gerstenberger #
Caroline Fisher Pearson #

State of Ohio
County of Summit ss

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

(Signature)
Robert Stephen Paskowski
(Printed Name)
1.
Interim President
>Title)

(Signature)
Dennis Dale Pijor
(Printed Name)
2.
Vice President - Finance, CFO
>Title)

(Signature)
Brian Keith Derrick
(Printed Name)
3.
Treasurer
>Title)

Subscribed and sworn to before me this
day of _____, 2017

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

Yes[] No[]

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	38,910,437		38,910,437	45,808,733
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....6,111,108, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....455,615, Schedule DA)	6,566,723		6,566,723	5,147,320
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	45,477,160		45,477,160	50,956,053
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	125,029		125,029	113,478
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,399,933	55,059	2,344,874	195,309
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,877,502		2,877,502	2,377,575
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	1,734,332		1,734,332	2,729,537
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)	2,415	2,415		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,727,161		1,727,161	1,418,465
24. Health care (\$.....1,145,853) and other amounts receivable	1,404,105	258,252	1,145,853	1,903,849
25. Aggregate write-ins for other than invested assets	85,328	85,328		
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	55,832,965	401,054	55,431,911	59,694,266
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	55,832,965	401,054	55,431,911	59,694,266
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	85,328	85,328		
2502. Deferred ACA Asset				
2503. Pharmacy Rebates				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	85,328	85,328		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	16,625,124		16,625,124	21,817,703
2. Accrued medical incentive pool and bonus amounts				130,128
3. Unpaid claims adjustment expenses	368,015		368,015	394,677
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	6,277,102		6,277,102	6,291,417
9. General expenses due or accrued	2,550,495		2,550,495	4,082,281
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	667,288		667,288	2,595,699
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$.....0 current)				
24. TOTAL Liabilities (Lines 1 to 23)	26,488,024		26,488,024	35,311,905
25. Aggregate write-ins for special surplus funds	XXX	XXX		3,400,000
26. Common capital stock	XXX	XXX	2,500,062	2,500,062
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	82,866,381	82,866,381
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	(56,422,556)	(64,384,082)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	XXX	XXX		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	28,943,887	24,382,361
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	XXX	XXX	55,431,911	59,694,266
DETAILS OF WRITE-INS				
2301. Minority Interest				
2302. Deferred gain on sale of bonds to SummaCare, Inc.				
2303. Miscellaneous				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501. ACA Annual Fee on Health Insurers	XXX	XXX		3,400,000
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		3,400,000
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	XXX	453,682	548,129
1. Member Months	XXX	453,682	548,129
2. Net premium income (including \$.....0 non-health premium income)	XXX	190,629,097	214,854,062
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Aggregate write-ins for other non-health revenues	XXX		
8. TOTAL Revenues (Lines 2 to 7)	XXX	190,629,097	214,854,062
Hospital and Medical:			
9. Hospital/medical benefits		129,661,509	161,400,478
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		33,128,221	34,972,199
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			(29,605)
16. Subtotal (Lines 9 to 15)		162,789,730	196,343,072
Less:			
17. Net reinsurance recoveries		4,238,130	4,304,566
18. TOTAL Hospital and Medical (Lines 16 minus 17)		158,551,600	192,038,506
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....387,821 cost containment expenses		2,597,754	2,785,953
21. General administrative expenses		24,787,115	28,857,955
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)		185,936,469	223,682,414
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	4,692,628	(8,828,352)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		435,027	474,461
26. Net realized capital gains (losses) less capital gains tax of \$.....0		15,804	
27. Net investment gains (losses) (Lines 25 plus 26)		450,831	474,461
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses		1,730	973
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	5,145,189	(8,352,918)
31. Federal and foreign income taxes incurred	XXX	568,025	(732,449)
32. Net income (loss) (Lines 30 minus 31)	XXX	4,577,164	(7,620,469)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX		
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	XXX		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. Gain on the sale of fixed assets			
2902. Miscellaneous Income (Expense)		1,730	973
2903. Finance and service charges not included in premiums			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		1,730	973

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	24,382,361	31,459,090
34. Net income or (loss) from Line 32	4,577,164	(7,620,469)
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	(3,154)	543,741
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		
47. Aggregate write-ins for gains or (losses) in surplus	(12,484)	(1)
48. Net change in capital and surplus (Lines 34 to 47)	4,561,526	(7,076,729)
49. Capital and surplus end of reporting year (Line 33 plus 48)	28,943,887	24,382,361
DETAILS OF WRITE-INS		
4701. Deferred gain on sale of bonds to SummaCare, Inc.		
4702. Gain on sale of bonds	(12,484)	
4703. Federal income tax adjustment		
4798. Summary of remaining write-ins for Line 47 from overflow page		(1)
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(12,484)	(1)

CASH FLOW

		1 Current Year	2 Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	190,072,931	215,423,153
2.	Net investment income	421,773	520,843
3.	Miscellaneous income		
4.	TOTAL (Lines 1 through 3)	190,494,704	215,943,996
5.	Benefit and loss related payments	164,374,234	195,159,267
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	28,943,317	33,571,020
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....427,180 tax on capital gains (losses)	(427,179)	(231,992)
10.	TOTAL (Lines 5 through 9)	192,890,372	228,498,295
11.	Net cash from operations (Line 4 minus Line 10)	(2,395,668)	(12,554,299)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	6,903,320	1,330,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	6,903,320	1,330,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)		
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	6,903,320	1,330,000
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		
16.6	Other cash provided (applied)	(3,088,249)	740,002
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(3,088,249)	740,002
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,419,403	(10,484,297)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	5,147,320	15,631,617
19.2	End of year (Line 18 plus Line 19.1)	6,566,723	5,147,320

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

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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7	8	9	10
1. Net premium income	190,629,097	189,519,562	132,302						977,233	
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)									XXX	
4. Risk revenue									XXX	
5. Aggregate write-ins for other health care related revenues									XXX	
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6)	190,629,097	189,519,562	132,302						977,233	
8. Hospital/medical benefits	129,661,509	129,541,959	119,550						XXX	
9. Other professional services									XXX	
10. Outside referrals									XXX	
11. Emergency room and out-of-area									XXX	
12. Prescription drugs	33,128,221	32,369,412							758,809	
13. Aggregate write-ins for other hospital and medical									XXX	
14. Incentive pool, withhold adjustments and bonus amounts									XXX	
15. Subtotal (Lines 8 to 14)	162,789,730	161,911,371	119,550						758,809	
16. Net reinsurance recoveries	4,238,130	4,238,130							XXX	
17. TOTAL Hospital and Medical (Lines 15 minus 16)	158,551,600	157,673,241	119,550						758,809	
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....387,821 cost containment expenses	2,597,754	2,583,737	1,908						12,109	
20. General administrative expenses	24,787,115	24,653,372	18,203						115,540	
21. Increase in reserves for accident and health contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
22. Increase in reserves for life contracts										
23. TOTAL Underwriting Deductions (Lines 17 to 22)	185,936,469	184,910,350	139,661						886,458	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	4,692,628	4,609,212	(7,359)						90,775	
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page										XXX
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page										XXX
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)	190,942,717	.....	1,423,155	189,519,562
2. Medicare Supplement	132,302	.....	.....	132,302
3. Dental only .....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	.....	.....	.....
7. Title XIX - Medicaid .....	.....	.....	.....	.....
8. Other health	977,233	.....	.....	977,233
9. Health subtotal (Lines 1 through 8)	192,052,252	.....	1,423,155	190,629,097
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11)	192,052,252	.....	1,423,155	190,629,097

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	167,982,309	167,122,100	102,952						757,257	
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	3,738,203	3,738,203								
1.4 Net	164,244,106	163,383,897	102,952						757,257	
2. Paid medical incentive pools and bonuses	130,128	130,128								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	16,625,124	16,578,916	34,986						11,222	
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	16,625,124	16,578,916	34,986						11,222	
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year	2,877,502	2,877,502								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	21,817,703	21,789,646	18,387						9,670	
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	21,817,703	21,789,646	18,387						9,670	
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	130,128	130,128								
11. Amounts recoverable from reinsurers December 31, prior year	2,377,575	2,377,575								
12. Incurred benefits:										
12.1 Direct	162,789,730	161,911,370	119,551						758,809	
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	4,238,130	4,238,130								
12.4 Net	158,551,600	157,673,240	119,551						758,809	
13. Incurred medical incentive pools and bonuses										

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. Incurred but Unreported:										
2.1 Direct	16,625,124	16,578,916	34,986	.....	.....	.....	.....	.....	11,222	.....
2.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.4 Net	16,625,124	16,578,916	34,986	.....	.....	.....	.....	.....	11,222	.....
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. TOTALS										
4.1 Direct	16,625,124	16,578,916	34,986	.....	.....	.....	.....	.....	11,222	.....
4.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.4 Net	16,625,124	16,578,916	34,986	.....	.....	.....	.....	.....	11,222	.....

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	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	20,210,220	142,633,099		16,578,916	20,210,220	21,748,994
2. Medicare Supplement	27,000	77,562		34,986	27,000	19,998
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health	10,000	786,298		11,222	10,000	48,711
9. Health subtotal (Lines 1 to 8)	20,247,220	143,496,959		16,625,124	20,247,220	21,817,703
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pool and bonus amounts	130,128				130,128	130,128
13. TOTALS (Lines 9 - 10 + 11 + 12)	20,377,348	143,496,959		16,625,124	20,377,348	21,947,831

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

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	15,574	15,574	15,574	15,574	15,574
2. 2012	161,880	180,289	180,289	180,289	180,289
3. 2013	XXX	183,171	204,568	204,568	204,568
4. 2014	XXX	XXX	187,992	213,578	213,739
5. 2015	XXX	XXX	XXX	170,395	190,611
6. 2016	XXX	XXX	XXX	XXX	143,497

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	15,578	15,574	15,574	15,574	15,574
2. 2012	183,162	180,370	180,289	180,289	180,289
3. 2013	XXX	206,426	204,670	204,569	204,568
4. 2014	XXX	XXX	213,781	213,738	213,739
5. 2015	XXX	XXX	XXX	192,182	190,611
6. 2016	XXX	XXX	XXX	XXX	160,122

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2012	205,246	180,289	1,698	0.942	181,987	88.668			181,987	88.668
2. 2013	219,611	204,568	3,128	1.529	207,696	94.574			207,696	94.574
3. 2014	234,606	213,739	3,207	1.500	216,946	92.472			216,946	92.472
4. 2015	214,854	190,611	2,806	1.472	193,417	90.022			193,417	90.022
5. 2016	190,629	143,497	2,231	1.555	145,728	76.446	16,625	368	162,721	85.360

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	15,559	15,559	15,559	15,559	15,559
2. 2012	161,403	179,769	179,769	179,769	179,769
3. 2013	XXX	181,990	203,372	203,372	203,372
4. 2014	XXX	XXX	186,336	211,883	212,044
5. 2015	XXX	XXX	XXX	169,697	189,876
6. 2016	XXX	XXX	XXX	XXX	142,633

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	15,563	15,559	15,559	15,559	15,559
2. 2012	182,674	179,850	179,769	179,769	179,769
3. 2013	XXX	205,231	203,474	203,373	203,372
4. 2014	XXX	XXX	212,086	212,043	212,044
5. 2015	XXX	XXX	XXX	191,415	189,876
6. 2016	XXX	XXX	XXX	XXX	159,212

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2012	203,989	179,769	1,690	0.940	181,459	88.955			181,459	88.955
2. 2013	218,105	203,372	3,111	1.529	206,483	94.671			206,483	94.671
3. 2014	233,029	212,044	3,184	1.502	215,228	92.361			215,228	92.361
4. 2015	214,023	189,876	2,793	1.471	192,669	90.022			192,669	90.022
5. 2016	189,520	142,633	2,220	1.556	144,853	76.431	16,579	366	161,798	85.372

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	15	15	15	15	15
2. 2012	60	69	69	69	69
3. 2013	XXX	58	73	73	73
4. 2014	XXX	XXX	80	96	96
5. 2015	XXX	XXX	XXX	94	121
6. 2016	XXX	XXX	XXX	XXX	78

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	15	15	15	15	15
2. 2012	71	69	69	69	69
3. 2013	XXX	72	73	73	73
4. 2014	XXX	XXX	96	96	96
5. 2015	XXX	XXX	XXX	114	121
6. 2016	XXX	XXX	XXX	XXX	113

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2012	108	69	1	1.411	70	64.790			70	64.790
2. 2013	120	73	1	1.383	74	61.675			74	61.675
3. 2014	137	96	1	1.201	97	70.915			97	70.915
4. 2015	148	121	2	1.727	123	83.168			123	83.168
5. 2016	132	78	2	2.044	80	60.299	35		115	86.814

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

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

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

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

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

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

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

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

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

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare NONE

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

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare NONE

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	.....	.....	.....	.....	.....
2. 2012	417	451	451	451	451
3. 2013	XXX	1,123	1,123	1,123	1,123
4. 2014	XXX	XXX	1,576	1,599	1,599
5. 2015	XXX	XXX	XXX	604	614
6. 2016	XXX	XXX	XXX	XXX	786

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	.....	.....	.....	.....	.....
2. 2012	417	451	451	451	451
3. 2013	XXX	1,123	1,123	1,123	1,123
4. 2014	XXX	XXX	1,599	1,599	1,599
5. 2015	XXX	XXX	XXX	653	614
6. 2016	XXX	XXX	XXX	XXX	797

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent	.....
1. 2012	1,149	451	7	1.552	458	39.861	.....	.....	458	39.861
2. 2013	1,386	1,123	16	1.425	1,139	82.179	.....	.....	1,139	82.179
3. 2014	1,440	1,599	21	1.313	1,620	112.500	.....	.....	1,620	112.500
4. 2015	683	614	11	1.817	625	91.531	.....	.....	625	91.531
5. 2016	977	786	10	1.253	796	81.458	11	2	809	82.789

UNDERWRITING AND INVESTMENT EXHIBIT

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

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

(a) Includes \$.....0 premium deficiency reserve.

N O N E

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)	37,756	51,892	500,283		589,931
2. Salaries, wages and other benefits	134,383	573,251	7,469,273		8,176,907
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			5,894,643		5,894,643
4. Legal fees and expenses			22,617		22,617
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services		4,404	455,875		460,279
7. Traveling expenses	5		28,232		28,237
8. Marketing and advertising			311,642		311,642
9. Postage, express and telephone	1,296	117,591	209,601		328,488
10. Printing and office supplies	16,930	156	384,755		401,841
11. Occupancy, depreciation and amortization	6,860	9,428	172,823		189,111
12. Equipment			23,704		23,704
13. Cost or depreciation of EDP equipment and software	7,900		587,728		595,628
14. Outsourced services including EDP, claims, and other services	170,058	642,312	1,248,202		2,060,572
15. Boards, bureaus and association fees			5,021		5,021
16. Insurance, except on real estate			79,292		79,292
17. Collection and bank service charges				91,051	91,051
18. Group service and administration fees		770,000	1,058,933		1,828,933
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			1,157,657		1,157,657
23.3 Regulatory authority licenses and fees			4,670,217		4,670,217
23.4 Payroll taxes	9,833	40,899	454,477		505,209
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	2,800		52,140		54,940
26. TOTAL Expenses Incurred (Lines 1 to 25)	387,821	2,209,933	24,787,115	91,051	(a) 27,475,920
27. Less expenses unpaid December 31, current year		368,015	2,550,495		2,918,510
28. Add expenses unpaid December 31, prior year		394,677	4,082,281		4,476,958
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	387,821	2,236,595	26,318,901	91,051	29,034,368

DETAILS OF WRITE-INS

2501. Miscellaneous Expenses	2,800		18,390		21,190
2502. Donations			33,750		33,750
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,800		52,140		54,940

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

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	522,788	522,788
1.1 Bonds exempt from U.S. tax	(a) .....	.....	.....
1.2 Other bonds (unaffiliated)	(a) .....	.....	.....
1.3 Bonds of affiliates	(a) .....	.....	.....
2.1 Preferred stocks (unaffiliated)	(b) .....	.....	.....
2.11 Preferred stocks of affiliates	(b) .....	.....	.....
2.2 Common stocks (unaffiliated) .....	.....	.....	.....
2.21 Common stocks of affiliates .....	.....	.....	.....
3. Mortgage loans	(c) .....	.....	.....
4. Real estate	(d) .....	.....	.....
5. Contract loans .....	.....	.....	.....
6. Cash, cash equivalents and short-term investments	(e)	3,290	3,290
7. Derivative instruments	(f) .....	.....	.....
8. Other invested assets .....	.....	.....	.....
9. Aggregate write-ins for investment income .....	.....	.....	.....
10. TOTAL Gross investment income	526,078	526,078	526,078
11. Investment expenses	(g)	91,051	91,051
12. Investment taxes, licenses and fees, excluding federal income taxes	(g) .....	.....	.....
13. Interest expense	(h) .....	.....	.....
14. Depreciation on real estate and other invested assets	(i) .....	.....	.....
15. Aggregate write-ins for deductions from investment income .....	.....	.....	.....
16. TOTAL Deductions (Lines 11 through 15) .....	.....	91,051	91,051
17. Net Investment income (Line 10 minus Line 16) .....	.....	.....	435,027
DETAILS OF WRITE-INS			
0901. .....	.....	.....	.....
0902. .....	.....	.....	.....
0903. .....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....	.....
1501. .....	.....	.....	.....
1502. .....	.....	.....	.....
1503. .....	.....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....	.....
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....	.....

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

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	15,804	.....	15,804	.....	.....
1.1 Bonds exempt from U.S. tax
1.2 Other bonds (unaffiliated)
1.3 Bonds of affiliates
2.1 Preferred stocks (unaffiliated)
2.11 Preferred stocks of affiliates
2.2 Common stocks (unaffiliated)
2.21 Common stocks of affiliates
3. Mortgage loans
4. Real estate
5. Contract loans
6. Cash, cash equivalents and short-term investments
7. Derivative instruments
8. Other invested assets
9. Aggregate write-ins for capital gains (losses)
10. TOTAL Capital gains (losses)	15,804	.....	15,804	.....	.....

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	55,059	94,298	39,239
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	2,415	8,669	6,254
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable	258,252	278,933	20,681
25. Aggregate write-ins for other than invested assets	85,328	16,000	(69,328)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	401,054	397,900	(3,154)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	401,054	397,900	(3,154)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Expenses	85,328	16,000	(69,328)
2502. Deferred gain on bonds sold to SummaCare			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	85,328	16,000	(69,328)

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	43,383	39,107	38,071	37,170	36,003	453,682
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	43,383	39,107	38,071	37,170	36,003	453,682
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

Summa Insurance Company's (the Company or SIC) statutory financial statements are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (ODI).

The ODI recognizes only statutory accounting practices prescribed or permitted by the State of Ohio (the State) for determining its solvency under Ohio Insurance Law. NAIC SAP has been adopted as a component of the prescribed or permitted practices by the State with some modifications. These modifications include a five-year life on Electronic Data Processing (EDP) equipment and a 90-day limitation on collection of affiliate balances. Accordingly, the admitted assets, liabilities, capital and surplus of the Company as of December 31, 2016 and December 31, 2015 and the results of its operations and its cash flow for the years then ended have been determined in accordance with accounting principles prescribed or permitted by the ODI. Management believes the difference in capital and surplus between NAIC SAP and accounting principles prescribed or permitted by the ODI is not material.

	State of <u>Domicile</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
<u>Net Income</u>			
1) SIC state basis (Page 4, Line 32, Columns 2 & 3)	OH	4,577,164	(7,620,469)
2) State Prescribed Practices that increase / (decrease) NAIC SAP	OH	-	-
3) State Permitted Practices that increase / (decrease) NAIC SAP:	OH	-	-
4) NAIC SAP	OH	<u>4,577,164</u>	<u>(7,620,469)</u>
<u>Surplus</u>			
5) SIC state basis (Page 3, Line 33, Columns 3 & 4)	OH	28,943,887	24,382,361
6) State Prescribed Practices that increase / (decrease) NAIC SAP	OH	-	-
7) State Permitted Practices that increase / (decrease) NAIC SAP:	OH	-	-
8) NAIC SAP	OH	<u>28,943,887</u>	<u>24,382,361</u>

B. Use of Estimates

The preparation of financial statements in conformity with NAIC SAP, the NAIC Annual Statement Instructions and other accounting practices prescribed or permitted by the ODI 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 significantly from those estimates.

C. Accounting Policy

The Company uses the following accounting policies:

1) Cash and Short-Term Investments

Cash and short-term investments include cash on hand, cash held in bank accounts (including overdrafts), interest bearing deposits, and money market instruments purchased with an original maturity of one year or less. Short-term investments are stated at amortized cost.

2) Bonds not backed by other loans are stated at amortized cost using the interest method.

3) Common stocks – None.

4) Preferred stocks – None.

5) Mortgage loans on real estate – None.

6) Loan backed securities – None.

7) Investments in subsidiaries, controlled and affiliated entities - None.

8) Investments in joint ventures, partnerships and limited liability companies – None.

9) Accounting policy for derivatives – The Company does not invest in derivative instruments.

10) The Company anticipates investment income as a factor in premium deficiency calculation, in accordance with SSAP No. 54, Individual Group Accident and Health Contracts.

11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing liabilities are continually reviewed and any adjustments are reflected in the period determined.

12) The Company's capitalization policy and predefined thresholds have not changed from the prior period.

Notes to Financial Statements

13) Pharmaceutical rebates are reported as a reduction of prescription drug expense. Receivables related to pharmaceutical rebates are recorded in accordance with SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans. Pharmacy rebates receivable are estimated by multiplying the most recent rebate received by two (two quarters).

D. Going Concern – Not applicable.

2. Accounting Changes and Corrections of Errors – None.

3. Business Combinations and Goodwill - None.

4. Discontinued Operations – None.

5. Investments

A. Mortgage Loans – None.

B. Debt Restructuring – None.

C. Reverse Mortgages – None.

D. Loan Backed Securities – None.

E. Repurchase Agreements – None.

F. Real Estate - None.

G. Investments in Low-Income Housing Tax Credits – None.

H. Restricted Assets – None.

I. Working Capital Finance Investments – None.

J. Offsetting and Netting of Assets and Liabilities – None.

K. Structured Notes – None.

L. 5* Securities – None.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. For investments in joint ventures, partnerships and limited liability companies that exceed 10% of the admitted assets of the insurer – None.

B. Impaired investments in joint ventures, partnerships and limited liability companies – None.

7. Investment Income

A. The basis, by category of investment income, for excluding (nonadmitting) any investment income due and accrued.

All accrued investment income was admitted for the period.

B. The total amount excluded was \$0.

8. Derivative Instruments – None.

Notes to Financial Statements

9. Income Taxes

A. The components of deferred tax asset / liability at December 31, 2016 and December 31, 2015 are as follows:

	12/31/16			12/31/2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
1.									
(a) Gross Deferred Tax Assets	\$1,616,265	\$0	\$1,616,265	\$4,211,787	\$0	\$4,211,787	(\$2,595,522)	\$0	(\$2,595,522)
(b) Statutory Valuation Allowance Adjustments	\$1,607,952	\$0	\$1,607,952	\$4,198,197	\$0	\$4,198,197	(\$2,590,245)	\$0	(\$2,590,245)
(c) Adjusted Gross DTA's (1a-1b)	\$8,313	\$0	\$8,313	\$13,590	\$0	\$13,590	(\$5,277)	\$0	(\$5,277)
(d) DTA's Nonadmitted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(e) Subtotal Net DTA's (1c-1d)	\$8,313	\$0	\$8,313	\$13,590	\$0	\$13,590	(\$5,277)	\$0	(\$5,277)
(f) Deferred Tax Liabilities	(\$8,313)	\$0	(\$8,313)	(\$13,590)	\$0	(\$13,590)	\$5,277	\$0	\$5,277
(g) Net Admitted DTA / Net DTL (1e-1f)	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$0	\$1
2.									
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$8,313	\$0	\$8,313	\$0	\$0	\$0	\$8,313	\$0	\$8,313
(b) Adjusted Gross DTA's Expected to be Realized (Excluding The Amount of DTA's From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2 (b) 1 and 2 (b) 2 Below)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1. Adjusted Gross DTA's Expected to be Realized Following the Balance Sheet Date.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Adjusted Gross DTA's Allowed Per Limitation Threshold.	XXX	XXX	\$4,341,583	XXX	XXX	\$3,657,354	XXX	XXX	\$684,229
(c) Adjusted Gross DTA's (Excluding The Amount of DTA's from 2 (a) and 2 (b) above) Offset by Gross DTL's.	\$0	\$0	\$0	\$13,590	\$0	\$13,590	(\$13,590)	\$0	(\$13,590)
(d) DTA's Admitted as the result of application of SSAP No. 101. Total (2(a)+2(b)+2(c))	\$8,313	\$0	\$8,313	\$13,590	\$0	\$13,590	(\$5,277)	\$0	(\$5,277)
3.									
(a) Ratio Percentage used To Determine Recovery Period And Threshold Limitation Amount.	2016	2015							
	436%	307%							
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2 (b) 2 Above.	\$28,943,887	\$24,382,361							
4.									
Impact of Tax-Planning Strategies									
(a) Determination of Adjusted Gross DTA's and Net Admitted DTA's By Tax Character as a percentage.									
1. Adjusted Gross DTA's from 9A1c	\$8,313	\$0	\$8,313	\$13,590	\$0	\$13,590			
2. Percentage of Adjusted Gross DTA's	0%	0%	0%	0%	0%	0%			
3. Net Admitted Gross DTA's 9A1e	\$8,313	\$0	\$8,313	\$13,590	\$0	\$13,590			
4. Percentage of Net Admitted Adjusted Gross DTA's because of tax planning.	0%	0%	0%	0%	0%	0%			
(b) Does the Company's tax planning strategies include reinsurance?	Yes	No	X						

B. Regarding deferred tax liabilities not recognized – None.

Notes to Financial Statements

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

	12/31/2016	12/31/2015	Change
1. Current Income Tax			
(a) Federal	\$568,025	(\$732,449)	\$1,300,474
(b) Foreign	\$0	\$0	\$0
(c) Subtotal	<u>\$568,025</u>	<u>(\$732,449)</u>	<u>\$1,300,474</u>
(d) Federal Income Tax on Net Capital Gains	\$0	\$0	\$0
(e) Utilization of Capital Loss Carry Forwards	\$0	\$0	\$0
(f) Other	\$0	\$0	\$0
(g) Federal and Foreign Income Taxes Incurred	<u>\$568,025</u>	<u>(\$732,449)</u>	<u>\$1,300,474</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Unpaid Losses	\$39,970	\$57,513	(\$17,543)
(2) Unearned Premium Reserve	\$426,843	\$427,816	(\$973)
(3) Policyholder Reserves	\$0	\$0	\$0
(4) Investments	\$0	\$0	\$0
(5) Deferred Acquisition Costs	\$0	\$0	\$0
(6) Policyholder Dividends Accrual	\$0	\$0	\$0
(7) Fixed Assets	\$25,941	\$45,141	(\$19,200)
(8) Compensation and Benefits Accrual	\$394,432	\$431,408	(\$36,976)
(9) Pension Accrual	\$0	\$0	\$0
(10) Receivables - Nonadmitted	\$135,537	\$225,081	(\$89,544)
(11) Net Operating Loss Carry-Forward	\$0	\$2,313,715	(\$2,313,715)
(12) Tax credit carryforward	\$0	\$0	\$0
(13) Other (Including items < 5% of total ordin.	<u>\$53,543</u>	<u>\$711,113</u>	<u>(\$117,570)</u>
Subtotal	<u>\$1,616,265</u>	<u>\$4,211,787</u>	<u>(\$2,595,522)</u>
(b) Statutory Valuation Allowance	\$1,607,952	\$4,198,197	(\$2,590,245)
(c) Nonadmitted	\$0	\$0	\$0
(d) Admitted Ordinary Deferred Tax Assets	\$8,313	\$13,590	(\$5,277)
(e) Capital			
(1) Investments	\$0	\$0	\$0
(2) Net Capital Loss Carry-Forward	\$0	\$0	\$0
(3) Real Estate	\$0	\$0	\$0
(4) Other	\$0	\$0	\$0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
(f) Statutory Valuation Allowance Adjustment	\$0	\$0	\$0
(g) Nonadmitted	\$0	\$0	\$0
(h) Admitted Capital Deferred Tax Assets	\$0	\$0	\$0
(i) Admitted Deferred Tax Assets	\$8,313	\$13,590	(\$5,277)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$5,601	\$10,878	(\$5,277)
(2) Fixed Assets	\$0	\$0	\$0
(3) Deferred and Uncollected Premium	\$0	\$0	\$0
(4) Policyholder Reserves	\$0	\$0	\$0
(5) Other	<u>\$2,713</u>	<u>\$2,712</u>	<u>\$1</u>
Subtotal	<u>\$8,313</u>	<u>\$13,590</u>	<u>(\$5,277)</u>
(b) Capital			
(1) Investments	\$0	\$0	\$0
(2) Real Estate	\$0	\$0	\$0
(3) Unrealized Gains/ Losses	\$0	\$0	\$0
(4) Other	\$0	\$0	\$0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
(c) Deferred Tax Liabilities	\$8,313	\$13,590	(\$5,277)
4. Net Deferred Tax Assets / Liabilities	\$0	\$0	(\$0)

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

Notes to Financial Statements

	<u>December 31, 2016</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$1,749,364	34.0%
Change in valuation allowance	(\$2,590,243)	-50.3%
Change in nonadmitted assets	\$91,670	1.8%
Items permanent in nature	<u>\$1,317,234</u>	<u>25.6%</u>
Total statutory income taxes	<u><u>\$568,025</u></u>	<u><u>11.0%</u></u>
 Federal income taxes incurred	 \$568,025	 11.0%
Change in net deferred income taxes	<u>\$0</u>	<u>0.0%</u>
Total statutory income taxes	<u><u>\$568,025</u></u>	<u><u>11.0%</u></u>

E. Amounts of operating loss and tax credit carry-forwards available for tax purposes

1. The company does not have net operating loss or tax credit carry-forwards as of December 31, 2016.
2. The following are income taxes incurred in the current and prior year that will be available for recoupment in the event of future net losses - \$568,025.
3. The Company has no protective tax deposits reported as admitted assets under Section 6603 of the internal Revenue Service Code as of December 31, 2016 and December 31, 2015.

F. Consolidation of Federal Income Tax Return

Summa Health System Corporation files a consolidated federal income tax which includes the following entities: SummaCare, Inc., Summa Insurance Company, Summa Integrated Services Organization, Apex Benefits Services, LLC, Summa Insurance Agency, LLC, Wadsworth-Rittman Professional Services Corporation, Ohio Health Choice, Summa Management Services Organization, Health Care Center Physicians and Cornerstone Medical Services. Allocation of federal income taxes is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis.

G. Federal and foreign loss contingencies as determined in accordance with SSAP 5R – None.

10. Information Concerning Parent, Subsidiaries, and Affiliates

A. Nature of the Relationships

Summa Insurance Company, Inc. (SIC or the Company) is incorporated as a domestic stock property and casualty company. As such, SIC offers groups preferred provider products through which enrolled members elect to receive care from a Summa Preferred Provider (network provider) or a non-network provider at the member's option. The population from which SIC draws its membership is predominately in northeast Ohio. Affiliated organizations of SIC include Summa Health System Community; HealthSpan Partners; Summa Health System (SHS); Summa Health System Corporation (SHSC); Summa Health Network LLC (SHN); SummaCare, Inc. (SC); Apex Benefits Services, LLC (Apex); Summa Insurance Agency, LLC (SIA); Wadsworth-Rittman Professional Services Corporation; Summa Physicians, Inc. (SPI); Summa Foundation; Health Care Center Physicians Inc. (HCCP); Middlebury Assurance Corp. (MAC); Summa Rehabilitation Hospital, LLC; Ohio Health Choice, Inc. (OHC); Cornerstone Medical Services (Cornerstone); ARIS Teleradiology LLC (ARIS); Summa Western Reserve Hospital (SWRH); Ohio Sleep Disorders; Summa Accountable Care Organization (ACO); Akron Endoscopy Associates (Akron Endoscopy); Summa Integrated Services Organization (SISO); Summa Management Services Organization (SMSO); Health Innovations Ohio, LLC; Medina-Summit ASC, LLC and Advanced Health Select.

B. & C. Transactions with Affiliated Organizations

The operating activities with affiliated entities as of December 31, 2016 and December 31, 2015 are as follows:

	<u><u>2016</u></u>	<u><u>2015</u></u>
Claims expense related to affiliated entities:		
SHS	22,008,658	28,901,588
SPI	1,642,842	2,485,302
Management fees charged to SIC from Apex	770,000	752,222
Management fees charged to SIC from SMSO	8,731,061	8,665,730
Corporate expense allocation paid to SHS	1,040,721	2,188,143

Notes to Financial Statements

D. Balance outstanding with affiliated entities as of December 31, 2016 and December 31, 2015:

	Due from		Due to	
	2016	2015	2016	2015
SummaCare	807,060	1,403,870	—	—
Apex	60,656	—	—	422,540
ACO	859,445	—	—	871,369
SIA	—	14,595	—	—
SMSO	—	—	667,288	1,301,790
	<hr/> \$ 1,727,161	<hr/> 1,418,465	<hr/> 667,288	<hr/> 2,595,699

E. Guarantees or undertakings – None.

F. In 2016 and 2015, the Company contracted with SMSO for general administrative services, which include but are not limited to claims processing, customer service, eligibility, human resources, computer support, programming, finance, and other general administrative services. Fees are based on actual expenses allocated from SMSO to the Company.

In 2016 and 2015, the Company was party to a Claims System Cost Allocation Services Agreement with Apex in which Apex agreed to make use of the claims system available to SIC. SIC agreed to pay a user fee based on direct and indirect costs incurred by Apex with respect to the system.

In 2016 and 2015, the Company was party to a Cost Allocation Services Agreement with SHS in which SHS agreed to be responsible for certain common services required by SIC in order to optimize cost savings and achieve higher levels of efficiencies. SIC agreed to pay a fee representing the expenses allocated from SHS.

G. All outstanding shares of common stock are owned by the parent, SummaCare, Inc.

H. Investments in upstream intermediate entities or ultimate parent – None.

I. Investments in SCA entities - None.

J. Investments in impaired SCA entities – None.

K. Investments in foreign insurance subsidiaries – None.

L. Investment in downstream noninsurance holding company – None.

M. All SCA investment – None.

N. Investments in insurance SCA's – None.

11. Debt

SIC has no debt as of December 31, 2016.

12. Retirement Plans – None.

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

- 1) As of December 31, 2016, SC owned all of the 100 authorized and outstanding shares of SIC Class A common stock. SC also owns all of the 606,463 outstanding shares of SIC Class C common stock with a par value of \$.0001 per share.
- 2) Dividend rate, liquidation value and redemption schedule of preferred stock issues - None
- 3) Dividend restrictions – In accordance with the Ohio Revised Code, the Company must receive approval from ODI to pay a dividend or distribution during 2017, which when combined with the dividends or distributions paid within the preceding 12 months exceeds the greater of either (a) 10% of the Company's capital and surplus as of December 31, 2016, or (b) the Company's net gain from operations for the year ended December 31, 2016. Accordingly, during 2017, prior approval from the ODI is required for any dividend or distribution payment which exceeds \$4,577,164.
- 4) Dates and amounts of dividends paid – None.
- 5) Portion of reporting entities profits that may be paid as ordinary dividends - Reference number 3 above.
- 6) Restrictions on unassigned funds – None.
- 7) Mutual Reciprocals - None.
- 8) Stock held by the Company for special purposes – None.

Notes to Financial Statements

- 9) Changes in the balances of special surplus funds – As of December 31, 2015, the SC reclassified \$3.4 million from unassigned funds to special surplus, representing the Company's estimated Section 9010 ACA annual assessment that was paid in September 2016.
- 10) The portion of unassigned funds represented or reduced by :
 - Nonadmitted Asset Values – \$401,054
 - Unrealized Gains (Losses) – \$108,253
- 11) Surplus notes - None.
- 12) Restatement in a quasi-reorganization – Not applicable
- 13) Quasi-reorganization – Not applicable.

14. Liabilities, Contingencies and Assessments

- . A. Contingent commitments – None.

B. Assessments

On June 17, 2016, the company received notification of the insolvency of Coordinated Health Mutual. This insolvency resulted in a premium based guaranty fund assessment against the company of \$879,952. This assessment will result in an amount that is recoverable through premium tax offsets. Thus, a receivable for premium tax credits was recorded by the company in the amount of \$879,952.

- C. Gain contingencies – None.
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits – None.
- E. Joint and several liabilities – None.
- F. All other contingencies – None.

15. Leases – None.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liability – Not applicable.

18. Gains or Loss to the Reporting Entity from Uninsured Plans – Not applicable.

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

Not applicable.

20. Fair Value Measurement

- A. Assets and liabilities measured and reported at fair value.

1) Fair value measurements at the reporting date.

Notes to Financial Statements

Description for each class of asset or liability	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
a. Assets at fair value				
Cash and short-term investments	\$6,566,723	\$0	\$0	\$6,566,723
Perpetual referred stock				
Industrial and misc	\$0	\$0	\$0	\$0
Parent, subsidiaries and affiliates	\$0	\$0	\$0	\$0
Total perpetual and preferred stock	\$0	\$0	\$0	\$0
Bonds				
U.S. Governments	\$0	\$0	\$0	\$0
Industrial and misc	\$0	\$0	\$0	\$0
Hybrid securities	\$0	\$0	\$0	\$0
Parent, subsidiaries and affiliates	\$0	\$0	\$0	\$0
Total Bonds	\$0	\$0	\$0	\$0
Common stock				
Industrial and misc	\$0	\$0	\$0	\$0
Parent, subsidiaries and affiliates	\$0	\$0	\$0	\$0
Total common stock	\$0	\$0	\$0	\$0
Derivative assets				
Interest rate contracts				
Foreign exchange contracts	\$0	\$0	\$0	\$0
Credit contracts	\$0	\$0	\$0	\$0
Commodity futures contracts	\$0	\$0	\$0	\$0
Commodity forwards contracts	\$0	\$0	\$0	\$0
Total derivatives	\$0	\$0	\$0	\$0
Separate account assets	\$0	\$0	\$0	\$0
Total assets at fair value	<u>\$6,566,723</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,566,723</u>
b. Liabilities at fair value				
Derivative liabilities	\$0	\$0	\$0	\$0
Total liabilities at fair value	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

2) Fair value measurement in (Level 3) of the Fair Value Hierarchy – None.

3) Policy for determining when transfers between levels are recognized – Not applicable.

4) For fair value measurements categorized within level 2 and level 3 of the fair value hierarchy – The fair values of the Company's investment in U.S. Treasury and U.S. government agency bond securities are based on quoted prices or dealer quotes. For bonds not actively traded, fair values are estimated using values obtained from independent pricing services, or in the case of private placements, are estimated by discounting the expected future cash flows using current market rates applicable to the yield, credit and maturity of the investment.

5) Derivative assets and liabilities – None.

- B.** The carrying amounts reported in the statutory statements of admitted assets, liabilities, and capital and surplus for cash and short-term investments, uncollected premiums, reinsurance recoverable, investment income due and accrued, other receivables, federal income tax receivable, receivables from and payables to parent, affiliates and subsidiary, claims unpaid, unpaid claims adjustment expenses, accrued medical incentive pool, premiums received in advance, general expenses due or accrued, and other liabilities approximate fair value because of the short-term nature of these items. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.
- C.** The following table summarizes the Company's fair value measurements for financial instruments where fair value is a financial statement disclosure item only.

Notes to Financial Statements

Financial Instrument	December 31, 2016						Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3		
U.S. Treasury securities	\$ 37,821,373	\$ 37,767,873	\$ 37,821,373	\$ -	\$ -	\$ -	\$ -
U.S. government agency securities	1,197,317	1,142,564	-	1,197,317	-	-	-
Short-term investments	455,615	455,615	455,615	-	-	-	-

Financial Instrument	December 31, 2015						Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3		
U.S. Treasury securities	\$ 44,177,360	\$ 44,266,238	\$ 44,177,360	\$ -	\$ -	\$ -	\$ -
U.S. government agency securities	1,624,105	1,542,495	-	1,624,105	-	-	-
Short-term investments	140,815	140,815	140,815	-	-	-	-

D. Not practicable to estimate fair value – Not applicable.

21. Other Items

- A. **Unusual or Infrequent Items** – None.
- B. **Troubled Debt Restructuring** – None.
- C. **Other Disclosures** – None.
- D. **Business Interruption Insurance Recoveries** – None.
- E. **State Transferable and Non-transferable Tax Credits** – None.
- F. **Subprime Mortgage Related Exposure** – None.
- G. **Retained Assets** – None.

22. Events Subsequent

Type I – Recognized Subsequent Events – None.

Type II – Nonrecognized Subsequent Events

- a. The Company is subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). The fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of 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, 2016, the Company has written health insurance subject to the ACA assessment. However, The Consolidated Appropriations Act of 2016 placed a moratorium on this fee for 2017. In accordance with Interpretation 16-01, for 2016, the disclosures related to the fee payable immediately in the 2017 year and the related impact on Total Adjusted Capital (TAC) and Authorized Control Level (ACL) will report "zero" as the fee payable in 2017.

	<u>Current Year</u>	<u>Prior Year</u>
A. Did the reporting entity write health premium that is subject to Section 9010 of the ACA act?	<u>Yes</u>	
B. ACA fee assessment payable for the upcoming year	<u>\$0</u>	<u>\$3,400,000</u>
C. ACA fee assessment paid	<u>\$3,168,895</u>	<u>\$3,773,097</u>
D. Premium written subject to ACA 9010 assessment	<u>\$190,629,097</u>	<u>\$214,854,062</u>
E. Total Adjusted Capital before surplus adjustment	<u>\$28,943,887</u>	
F. Total Adjusted Capital after surplus adjustment	<u>\$28,943,887</u>	
G. Authorized Control Level after surplus adjustment	<u>\$6,631,342</u>	
H. Would reporting the ACA assessment as of year-end have triggered an RBC action level (YES/No)?	<u>No</u>	

23. Reinsurance

A. Ceded Reinsurance Report

Notes to Financial Statements

Section 1 – General Interrogatories

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

Yes () No (X)

If yes, give full details.

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

Yes () No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$_____
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$_____

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

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

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

Yes () No (X)

If yes, what is the amount of the reinsurance credits, whether an asset or a reduction of a liability, taken for such new agreements or amendments? \$_____

B. Uncollectible Reinsurance – None.

C. Commutation of Ceded Reinsurance – None.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – None.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Method used by reporting entity to estimate accrued retrospective premium adjustments – None.**
- B. Accrued retrospective premiums are recorded through written premium or earned premium – None.**
- C. Amount of net written premiums that are subject to retrospective rating features – None.**
- D. Amount of medical loss ratio rebates required pursuant to the Public Health Service Act – None.**

Notes to Financial Statements

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

- 1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? - YES.
- 2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:

a. Permanent ACA Risk Adjustment Program

Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (1)	<u>\$2,268,912</u>
Liabilities	
2. Risk adjustment user fee payable for ACA Risk Adjustment	<u>\$6,898</u>
3. Premium adjustments payable due to ACA Risk Adjustment (2)	<u>\$0</u>
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment (2)	<u>\$3,517,203</u>
5. Reported in expense as ACA risk adjustment user fees (incurred/paid)	<u>\$6,985</u>

b. Transitional ACA Reinsurance Program

Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	<u>\$1,760,465</u>
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) (1)	<u>\$0</u>
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance (1)	<u>\$0</u>
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance (Not reported as ceded resinsurance premium)	<u>\$902,644</u>
5. Ceded reinsurance premiums payable due to ACA Reinsurance	<u>\$96,599</u>
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance (1)	<u>\$0</u>
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	<u>\$96,599</u>
8. Reinsurance recoveries due to ACA Reinsurance payments or expected payments	<u>\$2,104,813</u>
9. ACA reinsurance contributions - not reported as ceded premium	<u>\$902,644</u>

c. Temporary ACA Risk Corridors Program

Assets	
1. Accrued retrospective premium due to ACA Risk Corridors (2)	<u>\$0</u>
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors (1)	<u>\$0</u>
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received) (2)	<u>(\$375,853)</u>
4. Effect of ACA Risk Corridors on change in reserves for rate credits (1)	<u>\$0</u>

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

Notes to Financial Statements

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances - Report Date		
					Prior Year Accrued Less Payments (Col1-3)	Prior Year Accrued Less Payments (Col2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col1-3+7)	Prior Year Accrued Less Payments (Col2-4+8)	
	1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	9 Ref	10 Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivables	\$1607.714	\$0	\$2,856,005	\$0	(\$1,248,291)	\$0	\$1,248,291	\$0	A	\$0	\$0
2. Premium adjustments (payable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	B	\$0	\$0
3. Subtotal ACA Permanent Risk Adjustment Program	\$1607.714	\$0	\$2,856,005	\$0	(\$1,248,291)	\$0	\$1,248,291	\$0		\$0	\$0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$1,781,385	\$0	\$1,962,722	\$0	(\$181,337)	\$0	\$442,120	\$0	C	\$260,783	\$0
2. Amounts recoverable for claims unpaid	\$0	\$0	\$163,000	\$0	(\$163,000)	\$0	\$163,000	\$0	D	\$0	\$0
3. Amounts receivable relating to uninsured plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	E	\$0	\$0
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premiums	\$0	\$1,827,925	\$0	\$1,827,925	\$0	\$0	\$0	\$0	F	\$0	\$0
5. Ceded reinsurance premiums payable	\$0	\$150,446	\$0	\$150,446	\$0	\$0	\$0	\$0	G	\$0	\$0
6. Liability for amounts held under uninsured plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	H	\$0	\$0
7. Subtotal ACA Transitional Reinsurance Program	\$1,781,385	\$1,378,371	\$2,125,722	\$1,378,371	(\$344,337)	\$0	\$605,120	\$0		\$260,783	\$0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$0	\$0	\$87,249	\$463,102	(\$87,249)	(\$463,102)	\$87,249	\$463,102	I	\$0	\$0
2. Reserve for rate credits or policy experience rating refunds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	J	\$0	\$0
3. Subtotal ACA Risk Corridors Program	\$0	\$0	\$87,249	\$463,102	(\$87,249)	(\$463,102)	\$87,249	\$463,102		\$0	\$0
d. Total for ACA Risk Sharing Provision:	\$3,389,099	\$1,378,371	\$5,068,976	\$2,441,473	(\$1,679,877)	(\$463,102)	\$1,940,660	\$463,102		\$260,783	\$0
Explanations of Adjustments											
A	The receivable was adjusted to reflect the amounts published by CMS on their 2016 RIR Payments Report.										
B											
C	The receivable was adjusted to reflect the amounts published by CMS on their 2016 RIR Payments Report.										
D	An adjustment was made to record transitional reinsurance received during 2016 related to unpaid claims.										
E											
F											
G											
H	I Recorded the actual amount of risk corridor payments received / made.										
J											

4) Roll-forward of risk corridors asset and liability balances by program benefit year.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances - Report Date		
					Prior Year Accrued Less Payments (Col1-3)	Prior Year Accrued Less Payments (Col2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col1-3+7)	Prior Year Accrued Less Payments (Col2-4+8)	
	1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	9 Ref	10 Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	\$0	\$0	\$87,249	\$0	\$0	\$0	\$87,249	\$0	A	\$0	\$0
2. Reserve for rate credits or policy experience rating refunds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	B	\$0	\$0
b. 2015											
1. Accrued retrospective premium	\$0	\$0	\$0	\$463,102	\$0	(\$463,102)	\$0	\$463,102	C	\$0	\$0
2. Reserve for rate credits or policy experience rating refunds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	D	\$0	\$0
c. 2016											
1. Accrued retrospective premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	E	\$0	\$0
2. Reserve for rate credits or policy experience rating refunds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	F	\$0	\$0
d. Total for ACA Risk Corridors	\$0	\$0	\$87,249	\$463,102	\$0	(\$463,102)	\$87,249	\$463,102		\$0	\$0
Explanations of Adjustments											
A	Received and recorded \$87,249 in risk corridor related to 2014.										
B											
C	Made a risk corridor payment of \$463,102 related to a CSR adjustment.										
D											
E											
F											

5) ACA risk corridor receivable as of the reporting date.

Risk Corridor Program Year	1 Estimated amount to be filed or final amount filed with CMS	2 Non-accrued amounts for impairment	3 Amounts received from CMS	4 Asset balance (gross of non-admissions) (1-2-3)	5 Non-admitted amount	6 Net admitted asset (4-5)
a. 2014	\$2,156,071	\$1,835,295	\$320,776	\$0	\$0	\$0
b. 2015	\$296,547	\$296,547	\$0	\$0	\$0	\$0
c. 2016	\$0	\$0	\$0	\$0	\$0	\$0
d. Total	\$2,452,618	\$2,131,842	\$320,776	\$0	\$0	\$0

25. Changes in Incurred Claims and Claims Adjustment Expenses

Activity in claims unpaid is summarized as follows:

Notes to Financial Statements

	2016	2015
Balance at January 1	\$ 21,817,703	25,620,497
Incurred related to:		
Current year	160,122,083	192,182,296
Prior years	<u>(1,570,483)</u>	<u>(114,185)</u>
Total	<u>158,551,600</u>	<u>192,068,111</u>
Paid related to:		
Current year	143,496,959	170,395,593
Prior years	<u>20,247,220</u>	<u>25,475,312</u>
Total	<u>163,744,179</u>	<u>195,870,905</u>
Balance at End of Period	<u><u>\$ 16,625,124</u></u>	<u><u>21,817,703</u></u>

Reserves as of December 31, 2015 were \$21,817,708. As of December 31, 2016, \$20,247,220 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are \$0. Therefore, there has been \$1,570,483 in favorable experience from December 31, 2015 to December 31, 2016. This favorable experience is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements – None.**27. Structured Settlements** – None.**28. Healthcare Receivables**

The company receives pharmacy rebates on a quarterly basis. As of December 31, 2016, a receivable was recorded equal to two quarters of rebates. Pharmacy rebates receivable are estimated by multiplying the most recent rebate received by two (two quarters). The admission of pharmacy rebates receivable are subject to the terms stated within SSAP No. 84 (Certain Healthcare Receivables).

<u>Quarter</u>	<u>Estimated Pharmacy Rebates as Reported on Financial Statements</u>	<u>Actual Pharmacy Rebates Received</u>	<u>Actual Rebates Received</u>	<u>Actual Rebates Received More Than 180 Days After Billing</u>
	<u>Confirmed</u>	<u>Received</u>	<u>Received</u>	<u>After Billing</u>
12/31/2016	\$498,800	\$0	\$0	\$0
9/30/2016	\$453,128	\$229,969	\$0	\$229,969
6/30/2016	\$632,603	\$745,433	\$0	\$745,433
3/31/2016	\$640,862	\$793,539	\$0	\$793,539
12/31/2015	\$551,704	\$560,115	\$0	\$560,115
9/30/2015	\$743,423	\$804,374	\$0	\$804,374
6/30/2015	\$681,240	\$858,984	\$0	\$858,984
3/31/2015	\$599,635	\$870,195	\$0	\$689,296
12/31/2014	\$719,868	\$871,705	\$0	\$871,705
9/30/2014	\$510,966	\$758,815	\$0	\$758,815
6/30/2014	\$551,514	\$675,302	\$0	\$675,302
3/31/2014	\$540,018	\$590,002	\$0	\$590,002

29. Participating Policies – None.**30. Premium Deficiency Reserves**

Premium deficiency losses are recognized when it is probable that expected claim expenses will exceed future premiums on existing health contracts. For purposes of premium deficiency losses, contracts are grouped in a manner consistent with the Company's method of acquiring, servicing and measuring the profitability of such contracts.

1. Liability carried for premium deficiency reserve:	\$0
2. Date of the most recent evaluation of this liability:	December 31, 2016
3. Was anticipated investment income utilized in the calculation?	YES

31. Anticipated Salvage Value and Subrogation – Not applicable.

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES****GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
Ohio.....

1.3 State Regulating?

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[X] No[]
11/03/2016.....

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. 12/31/2012.....

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012.....

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/02/2013.....

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

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

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

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

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]

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

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]

7.2 If yes,
7.21 State the percentage of foreign control 0.000%
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....

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

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

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

8.4 If response to 8.3 is yes, please provide the names and 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
..... Yes[] No[X] ..	..... Yes[ ] No[X] ..	..... Yes[ ] No[X] ..	..... Yes[ ] No[X] ..

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
RSM US LLP, 801 Nicollett Mall, West Tower, Suite 1100, Minneapolis, MN 55402-2526

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]

10.6 If the response to 10.5 is no or n/a please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Dave Reimer, Risk & Regulatory Consulting (associated with RSM US LLP), 20 Batterson Park Rd, Suite 380, Farmington CT 06032

GENERAL INTERROGATORIES (Continued)

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X] \$ 0

12.11 Name of real estate holding company
12.12 Number of parcels involved
12.13 Total book/adjusted carrying value

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity? Yes [] No [] N/A [X]

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [] N/A [X]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s). Yes [] No [X]

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s). Yes [] No [X]

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered. Yes [] No [X]

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001

BOARD OF DIRECTORS

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

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

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): \$ 0

20.11 To directors or other officers
20.12 To stockholders not officers
20.13 Trustees, supreme or grand (Fraternal only)

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans): \$ 0

20.21 To directors or other officers
20.22 To stockholders not officers
20.23 Trustees, supreme or grand (Fraternal only)

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year: \$ 0

21.21 Rented from others
21.22 Borrowed from others
21.23 Leased from others
21.24 Other

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No []

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment
22.22 Amount paid as expenses
22.23 Other amounts paid

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 807,060

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]

24.02 If no, give full and complete information, relating thereto
All securities are in the possession of FirstMerit Bank, N.A.

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

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

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

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

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

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [] No [X]

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

25.21 Subject to repurchase agreements	\$ 0
25.22 Subject to reverse repurchase agreements	\$ 0
25.23 Subject to dollar repurchase agreements	\$ 0
25.24 Subject to reverse dollar repurchase agreements	\$ 0
25.25 Placed under option agreements	\$ 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ 0
25.27 FHLB Capital Stock	\$ 0
25.28 On deposit with states	\$ 0
25.29 On deposit with other regulatory bodies	\$ 0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ 0
25.32 Other	\$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....

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

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

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

27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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

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

1 Name of Custodian(s)	2 Custodian's Address
FirstMerit Bank, N.A.	106 South Main St, Akron, OH 44308

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 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Chris Creahan - FirstMerit Bank	U

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [X] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [X] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
.....

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

29.2 If yes, complete the following schedule:

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

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

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

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

1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	38,910,437	39,018,690
30.2 Preferred stocks		
30.3 Totals	38,910,437	39,018,690
		108,253

30.4 Describe the sources or methods utilized in determining the fair values:

The values are based on the prices of assets at the close of the stock market on 12/31/2016 as determined by Interactive Data Corp.

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

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

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

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

32.2 If no, list exceptions:

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?

\$ 22,617

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

1 Name	2 Amount Paid
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$ 0

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

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)**PART 2 - HEALTH INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes[X] No[]
1.2 If yes, indicate premium earned on U.S. business only:	\$..... 132,302
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.	\$..... 119,550
1.6 Individual policies - Most current three years:	
1.61 TOTAL Premium earned	\$..... 132,302
1.62 TOTAL Incurred claims	\$..... 119,550
1.63 Number of covered lives	..... 49
All years prior to most current three years:	
1.64 TOTAL Premium earned	\$..... 0
1.65 TOTAL Incurred claims	\$..... 0
1.66 Number of covered lives	..... 0
1.7 Group policies - Most current three years:	
1.71 TOTAL Premium earned	\$..... 0
1.72 TOTAL Incurred claims	\$..... 0
1.73 Number of covered lives	..... 0
All years prior to most current three years:	
1.74 TOTAL Premium earned	\$..... 0
1.75 TOTAL Incurred claims	\$..... 0
1.76 Number of covered lives	..... 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	190,629,097	214,854,062
2.2 Premium Denominator	190,629,097	214,854,062
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	16,625,124	21,947,831
2.5 Reserve Denominator	16,625,124	21,947,831
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

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

Yes[] No[X]

3.2 If yes, give particulars:

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

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

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

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical	\$..... 500,000
5.32 Medical Only	\$..... 0
5.33 Medicare Supplement	\$..... 0
5.34 Dental & Vision	\$..... 0
5.35 Other Limited Benefit Plan	\$..... 0
5.36 Other	\$..... 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

The Company's provider contracts include insolvency provisions, continuity of care provisions and hold harmless language.

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

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year	..... 14,500
8.2 Number of providers at end of reporting year	..... 14,500

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

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months	..... 0
9.22 Business with rate guarantees over 36 months	..... 0

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 withhold	\$..... 0
10.24 Amount actually paid for year withhold	\$..... 0

11.1 Is the reporting entity organized as:

Yes[] No[X]

- 11.12 A Medical Group/Staff Model,
- 11.13 An Individual Practice Association (IPA), or,
- 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[] No[X]

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

Ohio

11.4 If yes, show the amount required.

\$..... 2,500,000

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

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

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

1 Name of Service Area
Summit
Portage
Cuyahoga
Geauga
Stark
Medina
Wayne
Ashtabula
Carroll

GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
Lorain
Mahoning
Trumbull
Ottawa
Sandusky
Erie
Huron
Lake
Ashland
Holmes
Tuscarawas

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

Yes[] No[X] 0

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

\$ Yes[] No[X] 0

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

\$ Yes[] No[X] 0

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

\$ Yes[] No[X] 0

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

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

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

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

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

15.1 Direct Premium Written

\$ Yes[] No[X] 0

15.2 Total incurred claims

\$ Yes[] No[X] 0

15.2 Number of covered lives

\$ Yes[] No[X] 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 2016	2 2015	3 2014	4 2013	5 2012
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	55,431,911	59,694,266	71,513,629	61,730,054	95,298,386
2. TOTAL Liabilities (Page 3, Line 24)	26,488,024	35,311,905	40,054,539	31,962,979	37,343,411
3. Statutory minimum capital and surplus requirement	2,500,000	2,500,000	1,500,000	1,500,000	1,500,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	28,943,887	24,382,361	31,459,090	29,767,075	57,954,975
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	190,629,097	214,854,062	234,605,565	219,611,297	205,246,012
6. TOTAL Medical and Hospital Expenses (Line 18)	158,551,600	192,038,506	211,943,421	203,630,813	181,568,296
7. Claims adjustment expenses (Line 20)	2,597,754	2,785,953	3,223,020	3,266,492	1,547,276
8. TOTAL Administrative Expenses (Line 21)	24,787,115	28,857,955	34,892,476	28,931,670	25,435,496
9. Net underwriting gain (loss) (Line 24)	4,692,628	(8,828,352)	(15,453,352)	(16,217,678)	(3,305,056)
10. Net investment gain (loss) (Line 27)	450,831	474,461	264,025	318,872	326,288
11. TOTAL Other Income (Lines 28 plus 29)	1,730	973	4,149	4,325	(27,936)
12. Net income or (loss) (Line 32)	4,577,164	(7,620,469)	(13,508,684)	(10,566,667)	(2,054,229)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(2,395,668)	(12,554,299)	(8,162,952)	(12,734,585)	2,198,785
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	28,943,887	24,382,361	31,459,090	29,767,075	57,954,975
15. Authorized control level risk-based capital	6,631,342	7,942,274	8,695,175	8,483,697	12,014,407
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	36,003	43,383	51,835	59,289	56,247
17. TOTAL Members Months (Column 6, Line 7)	453,682	548,129	668,877	680,957	663,646
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	83.2	89.4	90.3	92.7	88.5
20. Cost containment expenses	0.2	0.3	0.2	0.2	0.2
21. Other claims adjustment expenses	1.2	1.0	1.2	1.3	0.6
22. TOTAL Underwriting Deductions (Line 23)	97.5	104.1	106.6	107.4	101.6
23. TOTAL Underwriting Gain (Loss) (Line 24)	2.5	(4.1)	(6.6)	(7.4)	(1.6)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	20,377,348	25,746,708	21,523,043	18,490,564	15,608,369
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	21,947,831	25,890,498	23,360,138	21,285,500	17,202,215
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					52,161,524
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					52,161,524
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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

If no, please explain::

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

State, Etc.	1 Active Status	Direct Business Only							9 Deposit - Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	L .. 192,052,252							192,052,252	
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X .. 192,052,252							192,052,252	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) .. 1 .. 192,052,252							192,052,252	

DETAILS OF WRITE-INS

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

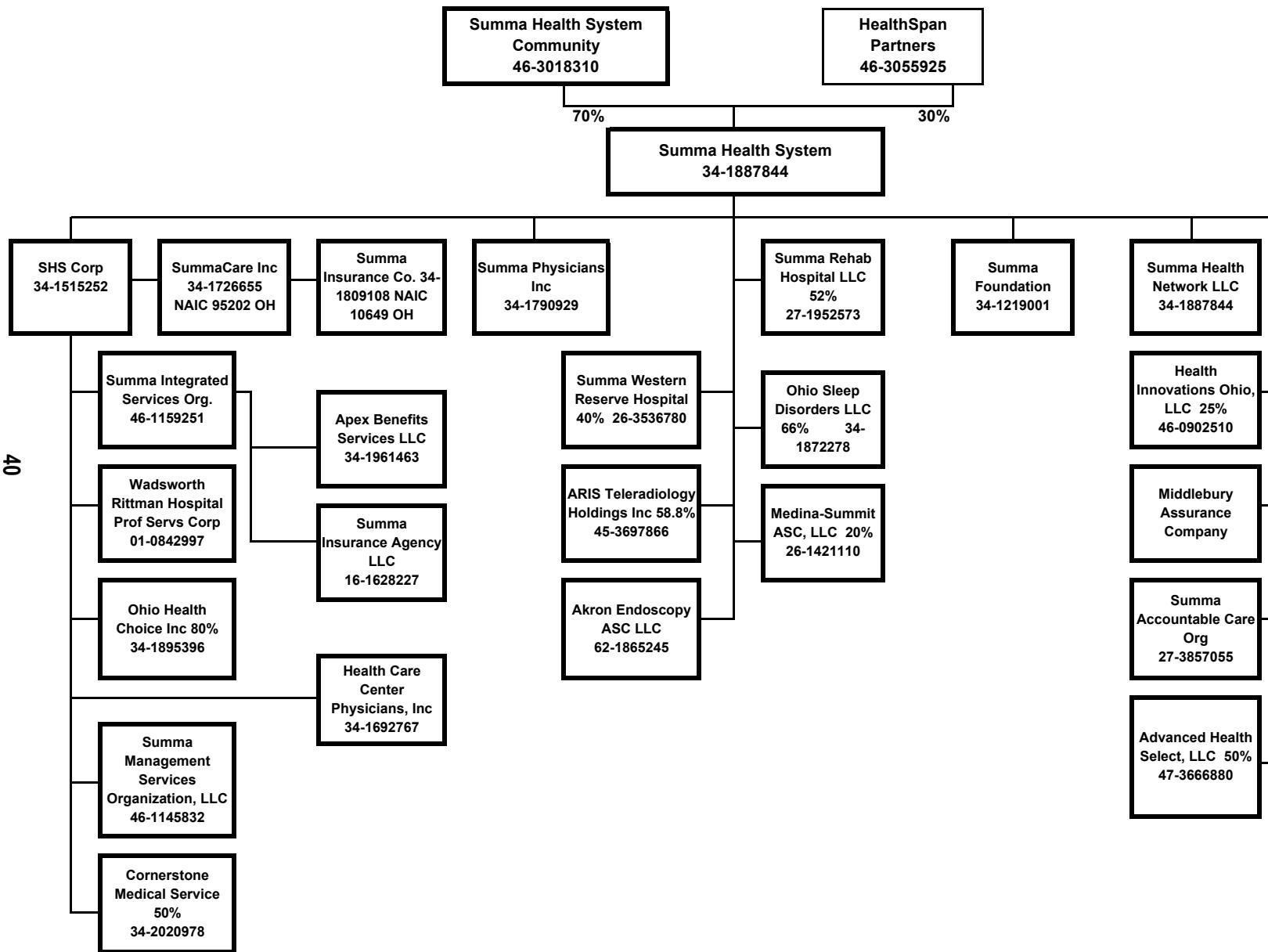
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation by state, premiums by state, etc.: The Company only has business in the State of Ohio.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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