



ANNUAL STATEMENT

For the Year Ended December 31, 2016

of the Condition and Affairs of the

Medical Health Insuring Corporation of Ohio

NAIC Group Code.....730, 730 (Current Period) (Prior Period)	NAIC Company Code..... 95828	Employer's ID Number..... 34-1442712
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Licensed as Business Type.....Property/Casualty	Is HMO Federally Qualified? Yes [] No []	
Incorporated/Organized..... July 13, 1984	Commenced Business..... January 1, 1985	
Statutory Home Office	2060 East Ninth Street..... Cleveland OH US 44115-1355 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	2060 East Ninth Street..... Cleveland OH US 44115-1355 (Street and Number) (City or Town, State, Country and Zip Code)	216-687-7000 (Area Code) (Telephone Number)
Mail Address	2060 East Ninth Street..... Cleveland OH US 44115-1355 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	2060 East Ninth Street..... Cleveland OH US 44115-1355 (Street and Number) (City or Town, State, Country and Zip Code)	216-687-7000 (Area Code) (Telephone Number)
Internet Web Site Address	www.MedMutual.com	
Statutory Statement Contact	Sharon Matonis (Name) Sharon.Matonis@medmutual.com (E-Mail Address)	216-687-6049 (Area Code) (Telephone Number) (Extension) 216-360-4073 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Richard Alan Chircosta	CEO	2. Patricia Bunn Decensi #	Secretary
3. Raymond Karl Mueller	Treasurer	4.	

OTHER

DIRECTORS OR TRUSTEES			
James Charles Cellura	Jared Paul Chaney	Richard Alan Chircosta	Steffany Matticola Larkins
Raymond Karl Mueller			

State of..... Ohio
County of.... Cuyahoga

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

(Signature) Richard Alan Chircosta	(Signature) Patricia Bunn Decensi	(Signature) Raymond Karl Mueller
1. (Printed Name) CEO (Title)	2. (Printed Name) Secretary (Title)	3. (Printed Name) 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 [X] No [] _____ _____ _____

Medical Health Insuring Corporation of Ohio

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).....	49,773,061		49,773,061	54,513,011
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....35,481,154, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$....14,186,826, Schedule DA).....	49,667,980		49,667,980	18,637,739
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	99,441,041	0	99,441,041	73,150,750
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	379,155		379,155	479,761
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	2,176,877	34,955	2,141,922	1,469,097
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$....45,595) and contracts subject to redetermination (\$....24,243,200).....	24,288,795		24,288,795	9,255,530
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	18,699,998		18,699,998	28,460,875
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	6,351,936		6,351,936	2,990,145
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$....4,112,200) and other amounts receivable.....	5,694,200	1,582,000	4,112,200	6,545,241
25. Aggregate write-ins for other-than-invested assets.....	158,332	19,818	138,514	954,015
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	157,190,334	1,636,773	155,553,561	123,305,414
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	157,190,334	1,636,773	155,553,561	123,305,414

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Assets.....	18,675	18,675	0	
2502. Other Receivables.....	1,143	1,143	0	
2503. Contraceptive Only Coverage Receivable.....	138,514		138,514	954,015
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	158,332	19,818	138,514	954,015

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....1,184,867 reinsurance ceded).....	49,437,633		49,437,633	30,256,450
2. Accrued medical incentive pool and bonus amounts.....	335,870		335,870	177,400
3. Unpaid claims adjustment expenses.....	1,087,950		1,087,950	842,695
4. Aggregate health policy reserves, including the liability of \$....404,000 for medical loss ratio rebate per the Public Health Service Act.....	10,687,000		10,687,000	10,609,000
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	10,222,970		10,222,970	8,979,326
9. General expenses due or accrued.....	6,770,924		6,770,924	5,141,434
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	7,494,850		7,494,850	7,352,452
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$....3,054,262 current).....	3,054,262	0	3,054,262	390,166
24. Total liabilities (Lines 1 to 23).....	89,091,459	0	89,091,459	63,748,923
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	4,777,000
26. Common capital stock.....	XXX	XXX	4,000,000	4,000,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	104,066,417	79,066,417
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	(41,604,315)	(28,286,926)
32. Less treasury stock at cost:				
32.1 ....0.000 shares common (value included in Line 26 \$.....0)	XXX	XXX		
32.2 ....0.000 shares preferred (value included in Line 27 \$.....0)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	66,462,102	59,556,491
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	155,553,561	123,305,414

DETAILS OF WRITE-INS

2301. Other Liabilities.....	193,762		193,762	390,166
2302. Contingent Commissions Payable.....	2,860,500		2,860,500	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	3,054,262	0	3,054,262	390,166
2501. Estimated 2016 Health Insurance Fee.....	XXX	XXX		4,777,000
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	4,777,000
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

Medical Health Insuring Corporation of Ohio
STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	.....855,754	.....604,488
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	.....328,591,041	.....252,759,010
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	.....(395,000)	.....(9,000)
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.....	.....0	.....0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	.....0	.....0
8. Total revenues (Lines 2 to 7).....	XXX.....	.....328,196,041	.....252,750,010
Hospital and Medical:			
9. Hospital/medical benefits.....		.....218,714,040	.....172,765,054
10. Other professional services.....		.....19,022,991	.....13,053,676
11. Outside referrals.....		.....2,765,815	.....1,471,027
12. Emergency room and out-of-area.....		.....22,781,652	.....20,438,614
13. Prescription drugs.....		.....54,020,252	.....53,121,928
14. Aggregate write-ins for other hospital and medical.....	.....0	.....0	.....0
15. Incentive pool, withhold adjustments and bonus amounts.....		.....378,690	.....266,163
16. Subtotal (Lines 9 to 15).....	.....0	.....317,683,440	.....261,116,462
Less:			
17. Net reinsurance recoveries.....		.....22,568,698	.....42,779,916
18. Total hospital and medical (Lines 16 minus 17).....	.....0	.....295,114,742	.....218,336,546
19. Non-health claims (net).....		.....	.....
20. Claims adjustment expenses, including \$....4,018,209 cost containment expenses.....		.....11,275,156	.....7,733,165
21. General administrative expenses.....		.....49,131,362	.....32,789,181
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....		.....(986,000)	.....7,600,000
23. Total underwriting deductions (Lines 18 through 22).....	.....0	.....354,535,260	.....266,458,892
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	.....XXX.....	.....(26,339,219)	.....(13,708,882)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		.....1,335,306	.....1,737,300
26. Net realized capital gains or (losses) less capital gains tax of \$....41,967.....		.....77,939	.....
27. Net investment gains or (losses) (Lines 25 plus 26).....	.....0	.....1,413,245	.....1,737,300
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.....	.....0	.....(2,029,204)	.....(1,342,166)
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.....	.....(26,955,178)	.....(13,313,748)
31. Federal and foreign income taxes incurred.....	.....XXX.....	.....(8,833,678)	.....(4,900,871)
32. Net income (loss) (Lines 30 minus 31).....	.....XXX.....	.....(18,121,500)	.....(8,412,877)

DETAILS OF WRITE-INS

0601.....	.....XXX.....	.....	.....
0602.....	.....XXX.....	.....	.....
0603.....	.....XXX.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.....XXX.....	.....0	.....0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	.....XXX.....	.....0	.....0
0701.....	.....XXX.....	.....	.....
0702.....	.....XXX.....	.....	.....
0703.....	.....XXX.....	.....	.....
0798. Summary of remaining write-ins for Line 7 from overflow page.....	.....XXX.....	.....0	.....0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	.....XXX.....	.....0	.....0
1401.....	.....	.....	.....
1402.....	.....	.....	.....
1403.....	.....	.....	.....
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.....0	.....0	.....0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	.....0	.....0	.....0
2901. Other Expense, net of Other Income.....		.....(2,029,204)	.....(1,342,166)
2902.....		.....	.....
2903.....		.....	.....
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.....0	.....0	.....0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	.....0	.....(2,029,204)	.....(1,342,166)

Medical Health Insuring Corporation of Ohio
STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	59,556,491	69,456,023
34. Net income or (loss) from Line 32.....	(18,121,500)	(8,412,877)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....		
39. Change in nonadmitted assets.....	27,111	(1,486,655)
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.....	.25,000,000	
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.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	6,905,611	(9,899,532)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	66,462,102	59,556,491

DETAILS OF WRITE-INS

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

Medical Health Insuring Corporation of Ohio

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	314,762,640	249,238,910
2. Net investment income.....	1,985,265	2,481,938
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	316,747,905	251,720,848
5. Benefit and loss related payments.....	263,515,730	215,730,027
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	57,896,791	39,633,360
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....		
10. Total (Lines 5 through 9).....	321,412,521	255,363,387
11. Net cash from operations (Line 4 minus Line 10).....	(4,664,616)	(3,642,539)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	15,367,488	13,758,000
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).....	15,367,488	13,758,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	11,057,075	431,656
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).....	11,057,075	431,656
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	4,310,413	13,326,344
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.....	25,000,000	
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	6,384,444	(4,239,747)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	31,384,444	(4,239,747)
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).....	31,030,241	5,444,058
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	18,637,739	13,193,681
19.2 End of year (Line 18 plus Line 19.1).....	49,667,980	18,637,739

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

20.0001		
---------------	--	--

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income.....	328,591,041	279,252,152	49,838,019	(44)	914	(500,000)				
2. Change in unearned premium reserves and reserve for rate credit.....	(395,000)	(395,000)								
3. Fee-for-service (net of \$.....0 medical expenses).....	0									XXX.....
4. Risk revenue.....	0									XXX.....
5. Aggregate write-ins for other health care related revenues.....	0	0	0	0	0	0	0	0	0	XXX.....
6. Aggregate write-ins for other non-health care related revenues.....	0	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	
7. Total revenues (Lines 1 to 6).....	328,196,041	278,857,152	49,838,019	(44)	914	(500,000)	0	0	0	
8. Hospital/medical benefits.....	218,714,040	183,732,227	34,981,813							XXX.....
9. Other professional services.....	19,022,991	16,543,869	2,464,459	13,970	693					XXX.....
10. Outside referrals.....	2,765,815	1,721,297	1,044,518							XXX.....
11. Emergency room and out-of-area.....	22,781,652	20,973,619	1,808,033							XXX.....
12. Prescription drugs.....	54,020,252	54,020,252								XXX.....
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX.....
14. Incentive pool, withhold adjustments and bonus amounts.....	378,690	378,487	203							XXX.....
15. Subtotal (Lines 8 to 14).....	317,683,440	277,369,751	40,299,026	13,970	693	0	0	0	0	XXX.....
16. Net reinsurance recoveries.....	22,568,698	22,568,698								XXX.....
17. Total hospital and medical (Lines 15 minus 16).....	295,114,742	254,801,053	40,299,026	13,970	693	0	0	0	0	XXX.....
18. Non-health claims (net).....	0	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	
19. Claims adjustment expenses including \$....4,018,209 cost containment expenses.....	11,275,156	9,162,171	2,112,749	236						
20. General administrative expenses.....	49,131,362	34,821,467	14,307,656	2,226	13					
21. Increase in reserves for accident and health contracts.....	(986,000)	(986,000)								XXX.....
22. Increase in reserve for life contracts.....	0	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	
23. Total underwriting deductions (Lines 17 to 22).....	354,535,260	297,798,691	56,719,431	16,432	706	0	0	0	0	
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	(26,339,219)	(18,941,539)	(6,881,412)	(16,476)	208	(500,000)	0	0	0	0

DETAILS OF WRITE-INS

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....	280,168,698		916,546	279,252,152
2. Medicare supplement.....	49,838,019			49,838,019
3. Dental only.....	(44)			(44)
4. Vision only.....	914			914
5. Federal employees health benefits plan.....	(500,000)			(500,000)
6. Title XVIII - Medicare.....				0
7. Title XIX - Medicaid.....				0
8. Other health.....				0
9. Health subtotal (Lines 1 through 8).....	329,507,587	0	916,546	328,591,041
10. Life.....				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11).....	329,507,587	0	916,546	328,591,041

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1 Total	2 Comprehensive (Hospital and 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.....	298,153,768	264,120,051	34,021,425	11,599	.693					
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	34,858,258	34,858,258								
1.4 Net.....	263,295,510	229,261,793	34,021,425	11,599	.693					
2. Paid medical incentive pools and bonuses.....	220,220	220,017	203							
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	50,622,500	44,345,985	6,276,515							
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	1,184,867	1,184,867								
3.4 Net.....	49,437,633	43,161,118	6,276,515	0	0					
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0					
5. Accrued medical incentive pools and bonuses, current year.....	335,870	335,870								
6. Net healthcare receivables (a).....	(2,498,482)	(2,495,228)	(883)	(2,371)						
7. Amounts recoverable from reinsurers December 31, current year.....	18,699,998	18,699,998								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	33,970,000	33,970,000								
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	3,713,550	3,713,550								
8.4 Net.....	30,256,450	30,256,450	0	0	0					
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0					
10. Accrued medical incentive pools and bonuses, prior year.....	177,400	177,400								
11. Amounts recoverable from reinsurers December 31, prior year.....	28,460,875	28,460,875								
12. Incurred benefits:										
12.1 Direct.....	317,304,750	276,991,264	40,298,823	13,970	.693					
12.2 Reinsurance assumed.....	0	0	0	0	0					
12.3 Reinsurance ceded.....	22,568,698	22,568,698	0	0	0					
12.4 Net.....	294,736,052	254,422,566	40,298,823	13,970	.693					
13. Incurred medical incentive pools and bonuses.....	378,690	378,487	203	0	0					

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

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1 Total	2 Comprehensive (Medical and Hospital)	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.....	0	0	0	0	0	0	0	0	0	0
1.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
1.4 Net.....	0	0	0	0	0	0	0	0	0	0
2. Incurred but unreported:										
2.1 Direct.....	50,622,500	44,345,985	6,276,515	0	0	0	0	0	0	0
2.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded.....	1,184,867	1,184,867	0	0	0	0	0	0	0	0
2.4 Net.....	49,437,633	43,161,118	6,276,515	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	50,622,500	44,345,985	6,276,515	0	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	1,184,867	1,184,867	0	0	0	0	0	0	0	0
4.4 Net.....	49,437,633	43,161,118	6,276,515	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	14,917,500	224,105,170	(678,270)	43,839,388	14,239,230	30,256,450
2. Medicare supplement.....	(13,502)	34,034,927		6,276,515	(13,502)	
3. Dental only.....	11,100	499			11,100	
4. Vision only.....		693			0	
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	14,915,098	258,141,289	(678,270)	50,115,903	14,236,828	30,256,450
10. Healthcare receivables (a).....		3,541,726		2,152,474	0	8,192,682
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....	123,302	96,918	77,250	258,620	200,552	177,400
13. Totals (Lines 9 - 10 + 11 + 12).....	15,038,400	254,696,481	(601,020)	48,222,049	14,437,380	22,241,168

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

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	2,152	2,071	2,052	2,052	2,052
2. 2012.....	19,459	21,405	21,398	21,396	21,396
3. 2013.....	XXX	9,808	10,662	10,635	10,463
4. 2014.....	XXX	XXX	133,204	143,423	143,349
5. 2015.....	XXX	XXX	XXX	207,451	222,735
6. 2016.....	XXX	XXX	XXX	XXX	258,239

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	(661)	(720)	(739)	(739)	(739)
2. 2012.....	21,202	21,348	21,398	21,396	21,396
3. 2013.....	XXX	11,163	10,630	10,635	10,463
4. 2014.....	XXX	XXX	154,781	141,438	143,350
5. 2015.....	XXX	XXX	XXX	231,677	222,133
6. 2016.....	XXX	XXX	XXX	XXX	302,919

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expense	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
1. 2012.....	23,964	21,396	657	3.1	22,053	92.0			22,053	92.0
2. 2013.....	12,338	10,463	896	8.6	11,359	92.1			11,359	92.1
3. 2014.....	159,756	143,349	5,607	3.9	148,956	93.2			148,956	93.2
4. 2015.....	252,759	222,735	7,287	3.3	230,022	91.0	(601)	2	229,423	90.8
5. 2016.....	328,591	258,239	10,448	4.0	268,687	81.8	50,375	1,086	320,148	97.4

12.GT

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	1,197	1,108	1,101	1,101	1,101
2. 2012.....	7,110	8,135	8,130	8,130	8,130
3. 2013.....	XXX.....	9,424	10,278	10,251	10,079
4. 2014.....	XXX.....	XXX.....	133,195	143,404	143,344
5. 2015.....	XXX.....	XXX.....	XXX.....	207,347	222,620
6. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	224,202

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	(355)	(434)	(441)	(441)	(441)
2. 2012.....	7,883	8,094	8,130	8,130	8,130
3. 2013.....	XXX.....	10,770	10,263	10,251	10,079
4. 2014.....	XXX.....	XXX.....	154,767	141,418	143,330
5. 2015.....	XXX.....	XXX.....	XXX.....	231,577	222,032
6. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	262,606

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	10,758	8,130	288	3.5	8,418	78.2			8,418	78.2
2. 2013.....	11,821	10,079	856	8.5	10,935	92.5			10,935	92.5
3. 2014.....	159,716	143,330	5,607	3.9	148,937	93.3			148,937	93.3
4. 2015.....	255,448	222,634	7,282	3.3	229,916	90.0	(601)	2	229,317	89.8
5. 2016.....	279,252	224,202	8,480	3.8	232,682	83.3	44,098	.939	277,719	99.5

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	1	.1	1	1	1
2. 2012.....	.18	.24	.24	.24	.24
3. 2013.....	XXX.	.25	.28	.28	.28
4. 2014.....	XXX.	.XXX.	.16	.26	.26
5. 2015.....	XXX.	XXX.	XXX.	.21	.7
6. 2016.....	XXX.	XXX.	XXX.	XXX.	34,035

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	.(9)	(8)	(8)	(8)	.(8)
2. 2012.....	.22	.23	.24	.24	.24
3. 2013.....	XXX.	.31	.27	.28	.28
4. 2014.....	XXX.	.XXX.	.20	.26	.26
5. 2015.....	XXX.	XXX.	XXX.	.19	.7
6. 2016.....	XXX.	XXX.	XXX.	XXX.	40,311

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	.47	.24	.1	.42	.25	.53.2			.25	.53.2
2. 2013.....	.44	.28	.1	.36	.29	.65.9			.29	.65.9
3. 2014.....	.40	.26	.1	.38	.27	.67.5			.27	.67.5
4. 2015.....	.36	.7	.2	.28.6	.9	.25.0			.9	.25.0
5. 2016.....	49,838	34,035	1,968	5.8	.36,003	.72.2	6,277	.147	.42,427	.85.1

12.MS

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....					
2. 2012.....					
3. 2013.....	XXX.....				
4. 2014.....	XXX.....	XXX.....			
5. 2015.....	XXX.....	XXX.....	XXX.....		.83.....
6. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	.1.....

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....					
2. 2012.....					
3. 2013.....	XXX.....				
4. 2014.....	XXX.....	XXX.....			
5. 2015.....	XXX.....	XXX.....	XXX.....		.81.....
6. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	.1.....

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....				.00.....	.0.....	.00.....			.0.....	.0.....
2. 2013.....				.00.....	.0.....	.00.....			.0.....	.0.....
3. 2014.....				.00.....	.0.....	.00.....			.0.....	.0.....
4. 2015.....	275.....	94.....	.3.....	3.2.....	.97.....	35.3.....			.97.....	35.3.....
5. 2016.....			.1.....	.00.....	.1.....	.00.....			.1.....	.0.....

12.DO

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....					
2. 2012.....					
3. 2013.....	XXX.....				
4. 2014.....	XXX.....	XXX.....			
5. 2015.....	XXX.....	XXX.....	XXX.....		
6. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	1.....

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

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

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....				0.0	0	0.0			0	0.0
2. 2013.....				0.0	0	0.0			0	0.0
3. 2014.....				0.0	0	0.0			0	0.0
4. 2015.....				0.0	0	0.0			0	0.0
5. 2016.....	1	1	1	0.0	1	100.0			1	100.0

12.VO

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	954	962	950	950	950
2. 2012.....	12,331	13,246	13,244	13,242	13,242
3. 2013.....	XXX	359	356	356	356
4. 2014.....	XXX	XXX	(7)	(7)	(7)
5. 2015.....	XXX	XXX	XXX	XXX	XXX
6. 2016.....	XXX	XXX	XXX	XXX	XXX

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	(297)	(278)	(290)	(290)	(290)
2. 2012.....	13,297	13,231	13,244	13,242	13,242
3. 2013.....	XXX	362	340	356	356
4. 2014.....	XXX	XXX	(6)	(6)	(6)
5. 2015.....	XXX	XXX	XXX	XXX	XXX
6. 2016.....	XXX	XXX	XXX	XXX	XXX

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	13,159	13,242	368	2.8	13,610	103.4			13,610	103.4
2. 2013.....	473	356	39	11.0	395	83.5			395	83.5
3. 2014.....		(7)	(1)	14.3	(8)	0.0			(8)	0.0
4. 2015.....	(3,000)			0.0	0	0.0			0	0.0
5. 2016.....	(500)			0.0	0	0.0			0	0.0

12.FE

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

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

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

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

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

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

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

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

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

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

	1 Total	2 Comprehensive (Hospital and 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.....	0								
2. Additional policy reserves (a).....	6,614,000	6,614,000							
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income.....	3,904,000	404,000				3,500,000			
5. Aggregate write-ins for other policy reserves.....	169,000	169,000	0	0	0	0	0	0	0
6. Totals (gross).....	10,687,000	7,187,000	0	0	0	3,500,000	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	10,687,000	7,187,000	0	0	0	3,500,000	0	0	0
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS

0501. Premium Adjustments Payable Due to ACA Risk Adjustment.....	169,000	169,000							
0502. ....0	0								
0503. ....0	0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	169,000	169,000	0	0	0	0	0	0	0
1101. ....0	0								
1102. ....0	0								
1103. ....0	0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0	0	0	0	0	0

(a) Includes \$....6,614,000 premium deficiency reserve.

Medical Health Insuring Corporation of Ohio
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)	2,458	254,683	536,852		793,993
2. Salaries, wages and other benefits	1,725,050	4,881,404	7,452,505		14,058,959
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			18,963,262		18,963,262
4. Legal fees and expenses			79,265		79,265
5. Certifications and accreditation fees	100,526				100,526
6. Auditing, actuarial and other consulting services	116,016	28,287	1,077,318		1,221,621
7. Traveling expenses	17,375	.29,798	152,703		199,876
8. Marketing and advertising	.785	.603	275,218		276,606
9. Postage, express and telephone	39,006	204,002	184,128		427,136
10. Printing and office supplies	23,907	.28,352	397,528		449,787
11. Occupancy, depreciation and amortization					0
12. Equipment	3,875	.24,821	28,997		57,693
13. Cost or depreciation of EDP equipment and software	170,523	798,528	710,237		1,679,288
14. Outsourced services including EDP, claims, and other services	1,275,013	727,503	1,994,612		3,997,128
15. Boards, bureaus and association fees	5,438	809	22,981		29,228
16. Insurance, except on real estate			106,953		106,953
17. Collection and bank service charges				.62,929	62,929
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			4,479,898		4,479,898
23.3 Regulatory authority licenses and fees			43,355		43,355
23.4 Payroll taxes	98,564	278,157	380,926		757,647
23.5 Other (excluding federal income and real estate taxes)			12,200,120		12,200,120
24. Investment expenses not included elsewhere				4,102	4,102
25. Aggregate write-ins for expenses	439,673	0	44,504	0	484,177
26. Total expenses incurred (Lines 1 to 25)	4,018,209	7,256,947	49,131,362	.67,031	(a).....60,473,549
27. Less expenses unpaid December 31, current year	387,721	700,229	6,768,183	2,741	7,858,874
28. Add expenses unpaid December 31, prior year	347,654	495,041	5,138,603	2,831	5,984,129
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,978,142	7,051,759	47,501,782	.67,121	58,598,804

DETAILS OF WRITE-INS

2501. Network Access Fees	439,673				439,673
2502. Other			44,504		44,504
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	439,673	0	44,504	0	484,177

(a) Includes management fees of \$....22,482,778 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).....758,197	.....721,035
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....720,553	.....653,257
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).....24,194	.....28,045
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	0	0
10. Total gross investment income.....	1,502,944	1,402,337
11. Investment expenses.....	.....	(g).....67,031
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	0
16. Total deductions (Lines 11 through 15).....	.....	67,031
17. Net investment income (Line 10 minus Line 16).....	.....	1,335,306

DETAILS OF WRITE-INS

0901.....	.....	.....
0902.....	.....	.....
0903.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	0	0
1501.....	.....	.....
1502.....	.....	.....
1503.....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	0

(a) Includes \$....18,086 accrual of discount less \$....567,529 amortization of premium and less \$....14,784 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.....	66,543	.....	66,543	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	0	.....	.....
1.2 Other bonds (unaffiliated).....	53,363	.....	53,363	.....	.....
1.3 Bonds of affiliates.....	.....	.....	0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	0	.....	.....
3. Mortgage loans.....	.....	.....	0	.....	.....
4. Real estate.....	.....	.....	0	.....	.....
5. Contract loans.....	.....	.....	0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	0	.....	.....
7. Derivative instruments.....	.....	.....	0	.....	.....
8. Other invested assets.....	.....	.....	0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	119,906	0	119,906	0	0

DETAILS OF WRITE-INS

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

Medical Health Insuring Corporation of Ohio
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			0
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			0
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			0
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	.0	.0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	34,955		(34,955)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....	1,582,000	1,647,441	65,441
25. Aggregate write-ins for other-than-invested assets.....	19,818	16,443	(3,375)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,636,773	1,663,884	27,111
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	1,636,773	1,663,884	27,111

DETAILS OF WRITE-INS

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepaid Assets.....	18,675	16,027	(2,648)
2502. Other Receivables.....	1,143	416	(727)
2503.....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	19,818	16,443	(3,375)

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.....	693	1,383	2,157	6,528	6,765	43,310
2. Provider service organizations.....						
3. Preferred provider organizations.....	46,409	42,600	41,120	42,971	40,547	506,655
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	856	22,733	24,326	27,669	29,420	305,789
7. Total.....	47,958	66,716	67,603	77,168	76,732	855,754

DETAILS OF WRITE-INS

0601. Dental Only.....	848	6	9	12	25	130
0602. Vision Only.....		6	7	12	17	123
0603. Medicare Supplement.....	8	22,721	24,310	27,645	29,378	305,536
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	856	22,733	24,326	27,669	29,420	305,789

NOTES TO FINANCIAL STATEMENTS**Dollars in thousands****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

	2016	2015
NET INCOME		
(1) Medical Health Insuring Corporation of Ohio state basis (Page 4, Line 32, Columns 2 & 3)	\$ (18,121)	\$ (8,413)
(2) State Prescribed Practices that increase/decrease NAIC SAP		
(3) State Permitted Practices that increase/decrease NAIC SAP		
(4) NAIC SAP (1 – 2 – 3 = 4)	\$ (18,121)	\$ (8,413)
SURPLUS		
(5) Medical Health Insuring Corporation of Ohio state basis (Page 3, line 33, Columns 3 & 4)	\$ 66,462	\$ 59,556
(6) State Prescribed Practices that increase/decrease NAIC SAP		
(7) State Permitted Practices that increase/decrease NAIC SAP		
(8) NAIC SAP (5 – 6 – 7 = 8)	\$ 66,462	\$ 59,556

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

The preparation of the statutory financial statements requires management to make estimates and assumptions that affect amounts reported in the statutory financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein.

C. Accounting Policy**Basis of Presentation**

The accompanying statutory financial statements of Medical Health Insuring Corporation (the Company) have been prepared in conformity with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) as prescribed by the Ohio Department of Insurance (ODI). No accounting practices were employed by the Company in 2016 and 2015 that departed from NAIC SAP. Such practices vary from U.S. generally accepted accounting principles (GAAP). The more significant variances from GAAP are as follows:

Investments

Investments in bonds are reported at cost or amortized cost or fair value based on their NAIC rating; for GAAP, such fixed maturity investments are held as available-for-sale and are reported at fair value with unrealized holding gains and losses reported as a separate component of capital and surplus.

Under statutory accounting, a realized loss is recorded upon the sale of an investment at a loss or when a decline in the fair value of an investment is determined by management to be other than temporary. Realized capital gains and losses are determined on the first-in, first-out cost method.

For GAAP, when a decline in the fair value is other than temporary, the difference between the security's fair value and carrying value (amortized cost) must be realized in earnings if the Company has the intent to sell the security or does not have the intent and ability to hold the security until recovery of the carrying value. If the Company does not intend to sell the security and it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis, the other-than-temporary impairment (OTTI) would be separated into (a) the amount representing the credit loss and (b) the amount related to all other factors. The amount of the total OTTI related to the credit loss would be recognized in earnings. The amount of the total OTTI related to other factors would be recognized in other comprehensive income.

Nonadmitted Assets

Certain assets designated as "nonadmitted", principally certain health care and customer receivables and prepaid expenses, are excluded from the accompanying statutory statements of admitted assets, liabilities and capital and surplus and are charged directly to capital and surplus. In accordance with GAAP, such assets are included in the balance sheet, net of valuation allowance, if necessary. Capital and surplus was reduced by nonadmitted assets of \$1,637 and \$1,664 at December 31, 2016 and 2015, respectively.

Deferred Acquisition Costs

The costs of acquiring and renewing business are expensed as incurred. For GAAP, such costs are capitalized and charged to expense in proportion to the premium revenue recognized.

Deferred Income Taxes

The Company computes deferred income taxes in accordance with Statement of Statutory Accounting Principle (SSAP) No. 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10*. Under SSAP No. 101, gross deferred tax assets are reduced by a statutory valuation allowance adjustment if, based on the weight of available evidence, it is more-likely-than-not that some portion or all of the gross deferred tax assets will not be realized to calculate the adjusted gross deferred tax assets.

Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company includes many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of reversal; (4) taxable income in prior carry back years as well as projected taxable earnings exclusive of reversing temporary differences and carry forwards; (5) the length of time that carryovers can be used; (6) unique tax rules that would impact the utilization of the deferred tax assets; (7) any tax planning strategies that the Company would employ to avoid a tax benefit expiring unused.

Admitted adjusted deferred income tax assets are limited to 1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with the Internal Revenue Service tax loss carryback provisions, not to exceed three years, plus 2) the amount of adjusted gross deferred income tax assets expected to be realized within three years limited to an amount that is no greater than 15% of current period's adjusted statutory capital and surplus, plus 3) the amount of remaining adjusted gross deferred income tax assets that can be offset against existing gross deferred income tax liabilities after considering the character (i.e., ordinary versus capital) and reversal patterns of the deferred tax assets and liabilities. The remaining adjusted deferred income tax assets are nonadmitted.

NOTES TO FINANCIAL STATEMENTS

Under GAAP, a deferred income tax asset is recorded for the amount of gross deferred income tax assets expected to be realized in all future years, and a valuation allowance is established for deferred income tax assets not realizable.

Transitional Reinsurance

Unpaid claim liabilities ceded to U.S. Department of Health and Human Services (HHS) in accordance with the ACA's Transitional Reinsurance Program have been reported as reductions of the related reserves rather than as assets as would be required under GAAP.

Health Insurer Fee

The estimated liability and corresponding expense for the mandatory annual nondeductible assessment imposed by the ACA (the Health Insurer Fee) are both recognized in full on January 1 of the applicable calendar year in which the assessment is paid. In accordance with GAAP, the liability is recognized in full on January 1 with a corresponding deferred cost that is amortized to expense using a straight-line method of allocation.

Statutory Statements of Cash Flow

Cash and short-term investments in the statutory statements of cash flow represent cash balances and investments with initial maturities of one year or less. In accordance with GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

Other significant accounting policies are as follows:

Cash and Invested Assets

Short-term investments, principally money market accounts, include investments with remaining maturities of one year or less at the time of acquisition and are principally stated at amortized cost, which approximates fair value.

Investments

U.S. government securities and corporate bonds not backed by other assets are recorded at cost adjusted for amortization of premiums and discounts using the interest method. The fair values disclosed for these securities are obtained from independent pricing services.

Other-Than-Temporary Impairment

The Company reviews the values of the Company's investments on a quarterly basis. If the value of the investment falls below its cost basis, the decline is analyzed to determine whether it is an other-than-temporary decline in value. To make this determination for each security, the following is considered:

- The length of time and the extent to which the fair value has been less than the amortized cost basis.
- The Company's ability and intent to hold the security long enough for it to recover its value.
- A significant deterioration in the earning performance, credit rating, asset quality or business prospects of the investee.
- A significant adverse change in the regulatory, economic, or technological environment of the investee.
- Factors that raise significant concerns about the investee's ability to continue as a going concern such as negative cash flows from operations, working capital deficiencies, or noncompliance with statutory capital requirements or debt covenants.

Fair Value Measurements

Assets recorded in the statutory statements of admitted assets, liabilities and capital and surplus are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

Level 1 Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

Level 3 Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset at the reporting date.

Premiums

Premiums are earned and recorded, net of amounts assumed and ceded under reinsurance agreements, pro rata over the period for which coverage is provided. Uncollected premiums include uncollected amounts from insured individuals and groups and are reported net of an allowance for amounts deemed uncollectible. Premium payments received prior to the period of coverage are classified as advance premiums.

Unpaid Claims and Claims Adjustment Expenses

Unpaid claims and claims adjustment expenses represent management's best estimate of the ultimate net cost of all reported and unreported claims, less the estimated amount recoverable from claim overpayments and subrogation. The unpaid claims liability is actuarially estimated based on a review of historical claim payment patterns and claim trends. The estimates are subject to the effects of trends in claim severity and frequency, and a reasonable provision for adverse development has been incorporated in management's best estimate. Although considerable variability is inherent in such estimates, management believes that the amounts reported for unpaid claims and claims adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

Contingent Consideration

The Company recognizes contingent consideration in the period incurred based on the contractual obligation.

NOTES TO FINANCIAL STATEMENTS***Uncertain Tax Policies***

The Company records uncertain tax positions on the basis of a two-step process whereby (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Changes to liabilities for uncertain tax positions are recorded as income tax expense in the accompanying statutory statement of revenue and expenses. The total liability for uncertain tax positions at December 31, 2016 and 2015 was \$1,575 and \$1,200, respectively, included in current federal income tax receivable from Parent on the statutory statements of admitted assets, liabilities, and capital and surplus. The Company does not expect any significant changes in its uncertain tax positions in 2017.

Premium Subsidy and Cost Sharing Subsidy

Under regulations established by the ACA, HHS pays the Company a portion of the premium (Premium Subsidy) and/or a portion of the health care costs (Cost Sharing Subsidy) for qualifying individual members. The Company recognizes monthly premiums received from members and the Premium Subsidy as premium revenue ratably over the contract period. The Premium Subsidy totaled \$100,938 and \$116,306 in 2016 and 2015, respectively, and is included in net premiums earned. The Cost Sharing Subsidy offsets health care costs when incurred. The Company recognizes the Cost Sharing Subsidy payments when received. Qualified individuals incurred \$15,358 and \$15,140 of claims covered by the Cost Sharing Subsidy in 2016 and 2015, respectively. This amount is reported as reduction of the net claims incurred and claims adjustment expenses on the statutory statement of revenue and expenses. There was no receivable at December 31, 2016. The 2015 receivable was \$1,791, of which, \$1,562 was received in 2016. The remaining amount was written off in 2016 as a result of the final reconciliation of actual cost sharing subsidy amount due to the estimated payments made by HHS during 2015. The 2015 balance is included in health care receivable on the accompanying statutory statement of admitted assets, liabilities, and capital and surplus related to the cost sharing subsidy.

Health Insurer Fee

The Company is subject to a mandatory annual non tax-deductible assessment on health insurers imposed by the ACA. The Company estimates the expense for the Health Insurer Fee based upon the preceding year's ratio of the Company's applicable net written premium compared to the U.S. health insurance industry total applicable net written premium. The Company reclassifies from unassigned surplus to special surplus the estimated assessment amount for the subsequent year. The Consolidated Appropriation Act of 2016, Title 11, section 201, Moratorium on Annual Fee on Health Insurance Providers, suspended the Health Insurer Fee for 2017. Therefore, no amounts were reclassified to special surplus at December 31, 2016.

Premium Stabilization Programs

The ACA authorized three programs designed to stabilize health insurance markets (Premium Stabilization Programs): a transitional reinsurance program; a temporary risk corridors program; and a permanent risk adjustment program. The Company accounts for the Premium Stabilization Programs in accordance with SSAP No.107, *Accounting for the Risk-Sharing Provisions of the Affordable Care Act* (SSAP No. 107). Details about each program are as follows:

Transitional Reinsurance Program

The transitional reinsurance program, effective for policy years 2014, 2015, and 2016, requires all issuers of major medical commercial insurance products and self-insured plan sponsors to contribute funding in amounts set by HHS. Funds collected will be distributed by HHS to reimburse issuers' high claims costs incurred for qualified individual members.

Expenses related to the funding of the transitional reinsurance program are reflected in general administrative expenses for all insurance products with the exception of products associated with qualified individual members, which are reflected as reduction of premiums earned. When annual claim costs incurred by qualified individual members exceed a specified attachment point, the Company is entitled to certain reimbursements from this program. Estimated recoveries are included in reinsurance recoverable and as a reduction to net claims incurred on the accompanying statutory financial statements.

Temporary Risk Corridors Program

The temporary risk corridors program, effective for policy years 2014, 2015, and 2016, is intended to limit the gains and losses of qualified individual and small group health plans offered for sale on federal or state healthcare exchanges. Plans are required to calculate the ratio of allowable costs (defined as medical claims plus quality improvement costs adjusted for the impact of reinsurance recoveries and the risk adjustment program) to the defined target amount (defined as actual premiums less defined allowable administrative costs inclusive of taxes and profits). Qualified health plans with ratios below 97% are required to make payments to HHS, while plans with ratios greater than 103% are expected to receive funds from HHS. Amounts collected from the program are reflected as an adjustment to earned premium.

Permanent Risk Adjustment Program

The permanent risk adjustment program is designed to transfer funds from qualified individual and small group plans with below average risks scores to those respective plans with above average risk scores. The estimates of amounts owed or due from the permanent risk adjustment program is required to be reflected as an adjustment to earned premium if sufficient data is available to make an estimate.

New Accounting Standards

In December 2016, the NAIC revised SSAP No. 35R – *Guaranty Fund and Other Assessments* to address the accounting for guaranty fund assessments and related assets recognized for future premium tax credits by issuers of short-duration health insurance contracts. Effective January 1, 2017, the revised statutory accounting principle allows issuers of short-duration contracts to recognize a premium tax asset based on expected renewals in instances when retrospective premium-based assessments are imposed on short-duration contracts for losses on long-duration contracts. Previously, issuers of short-duration contracts were not permitted to consider expected renewals in determining the asset recognized for future premium tax credits.

D. Going Concern
Not applicable

Note 2 – Accounting Changes and Corrections of Errors
Not applicable

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method
Not applicable

NOTES TO FINANCIAL STATEMENTS

- B. Statutory Merger
Not applicable
- C. Assumption Reinsurance
Not applicable
- D. Impairment Loss
Not applicable

Note 4 – Discontinued Operations

- A. Discontinued Operation Disposed of or Classified as Held for Sale
Not applicable
- B. Change in Plan of Sale of Discontinued Operation
Not applicable
- C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal
Not applicable
- D. Equity Interest Retained in the Discontinued Operation After Disposal
Not applicable

Note 5 – Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans
Not applicable
- B. Debt Restructuring
Not applicable
- C. Reverse Mortgages
Not applicable
- D. Loan-Backed Securities
Not applicable
- E. Repurchase Agreements and/or Securities Lending Transactions
Not applicable
- F. Real Estate
Not applicable
- G. Investments in Low-Income Housing Trade Credits (LIHTC)
Not applicable
- H. Restricted Assets
At December 31, 2016 and 2015, a bond with an admitted asset value of \$425 and \$430, respectively, was on deposit with the ODI to satisfy regulatory requirements.

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Additional Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-	-
b. Collateral held under security lending arrangements	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	-	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-	-
j. On deposit with states	425	430	(5)	-	425	0.270	0.273
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-
o. Total Restricted Assets	\$ 425	\$ 430	\$ (5)	\$ -	\$ 425	\$ 0.270	\$ 0.273

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 1, Line 28

NOTES TO FINANCIAL STATEMENTS

I. Working Capital Finance Investments

Not applicable

J. Offsetting and Netting of Assets and Liabilities

Not applicable

K. Structured Notes

Not applicable

L. 5* Securities

Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

Note 7 – Investment Income

Not applicable

Note 8 – Derivative Instruments

Not applicable

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

The Company is taxed as a stock property and casualty insurance company and files a consolidated federal income tax return with Medical Mutual of Ohio (MMO or the Parent) and other affiliates. The Company is party to a written tax sharing agreement with its Parent and other affiliates. According to the agreement each member pays taxes or receives credits (from the Parent) as if the member had filed a separate tax return. The payment is finalized for the tax year after the return is filed and/or after an IRS audit is completed. A member generating a taxable loss, or whose net operating losses (NOLs) are utilized in the current year, is compensated for such losses in the year absorbed by the consolidated group.

Deferred income tax assets (DTAs) and liabilities (DTLs) represent the expected future tax consequences of temporary items with differences generated by statutory accounting as defined in SSAP No. 101. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis statutory statements of admitted assets, liabilities and capital and surplus are compared.

Current federal income tax receivables from Parent include all current income taxes, including interest, expected to be collected in a subsequent accounting period.

The Company paid no federal income taxes during 2016 or 2015. The Company cannot recover any income tax incurred relating to 2016 and 2015 if the Company has losses in future years. At December 31, 2016 and 2015, the Company did not have any net operating loss carryforwards. The Company has no capital loss carryforwards to utilize in future years at December 31, 2016 and 2015.

The Company is subject to federal income tax examinations by tax authorities for the years 2013 through 2016.

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

Description	Ordinary			Change
	December 31	2016	2015	
Gross DTAs	\$	5,160	\$ 6,329	\$ (1,169)
Statutory valuation allowance		(5,157)	(6,327)	1,170
Adjusted gross DTAs		3	2	1
DTLs		3	2	1
Net admitted DTA	\$	-	\$ -	\$ -

2. Admission Calculation Components

	December 31			Change
	2016	2015		
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -	\$ -
b. Adjusted gross DTAs expected to be realized (excluding the amount of DTAs from above) after application of the threshold limitation (the lesser of i. and ii. below):				
i. Adjusted gross DTAs expected to be realized following the balance sheet date	-	-	-	-
ii. Adjusted gross DTAs allowed per limitation threshold	-	-	-	-
Adjusted gross DTAs (excluding the amount of DTAs from (a) and (b) above) offset by gross DTLs	3	2	1	
DTAs admitted as the result of application of SSAP No. 101	3	2	1	
DTL	3	2	1	
Net admitted DTAs	\$ -	\$ -	\$ -	\$ -
Nonadmitted DTAs	\$ -	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

3. Other Admissibility Criteria

2016	2015
572%	665%
66,462	59,556

4. Impact of Tax Planning Strategies

Not applicable

B. Deferred Tax Liabilities Not Recognized

There are no temporary differences for deferred tax liabilities that are not recognized at December 31, 2016 and 2015.

C. Current and Deferred Income Taxes

1. Current Income Tax

Description	December 31		Change
	2016	2015	
Current income tax benefit	\$ (7,643)	\$ (4,742)	\$ (2,901)
Provision to return adjustments	(1,191)	(159)	(1,032)
Tax on capital gains	42	-	42
Federal income tax benefits	\$ (8,792)	\$ (4,901)	\$ (3,891)

2 – 4 Deferred Tax Assets and Liabilities

December 31		
2016	2015	Change
\$ 3,679	\$ 3,802	\$ (123)
716	629	87
573	582	(9)
147	-	147
45	76	(31)
-	1,240	(1,240)
5,160	6,329	(1,169)
(5,157)	(6,327)	1,170
-	-	-
3	2	1
3	2	1
3	2	1
\$ -	\$ -	\$ -

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

December 31, 2016			December 31, 2015		
Amount	Tax Effect	Effective Tax Rate	Amount	Tax Effect	Effective Tax Rate
\$26,913	\$9,420	35.0%	\$13,314	\$4,660	35.0%
(3,342)	(1,170)	4.3	(798)	(280)	2.1
1,071	375	(1.3)	(1,577)	(552)	4.1
27	10	0.0	(1,487)	(520)	3.9
3,905	1,367	(5.1)	3,039	1,064	(8.0)
133	46	(0.2)	133	47	(0.3)
\$25,119	\$8,792	32.7%	\$14,004	\$4,901	36.8%
	(8,834)	32.8%		\$4,901	36.8%
	42	(0.1)			
	\$8,792	32.7%		\$4,901	36.8%

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

The following is income tax expense for 2016 and 2015 that is available for recoupment in the event of future net losses:

Year	Amount
2016	\$ -
2015	\$ -

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

NOTES TO FINANCIAL STATEMENTS

F. Consolidated Federal Income Tax Return
Not applicable

G. Federal or Foreign Federal Income Tax Loss Contingencies
The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A – M The Company is a stock casualty company with a health insuring corporation license. The Company is wholly owned by MMO, a mutual casualty insurance organization. The Company operates in Ohio and provides accident and health insurance and health care management services. The Company offers Affordable Care Act (ACA) compliant health insurance products available for purchase by individuals and small groups in Ohio on the Federal health insurance public exchange.

MMO provides administrative services including billing, accounting, marketing, provider relations, claims adjudication, and management information systems to the Company. In 2016 and 2015, charges to the Company for these services totaled \$22,465 and \$14,042, respectively. Amounts receivable and payable between the Company and MMO are settled within three months.

MMO has guaranteed that the Company will maintain the minimum capital and surplus as required by Ohio law.

The Company received a cash capital contribution of \$25,000 from MMO in 2016. No capital contributions were received in 2015.

Note 11 – Debt

Not applicable

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not applicable

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

(1) The Company has 25,000 shares of common stock authorized; 10,000 shares issued and outstanding. All shares have a par value of \$400.

(2) The Company has no preferred stock authorized or outstanding.

(3) The payment of dividends by the Company to MMO is limited and can only be made from earned profits unless prior approval is received from the Ohio Insurance Commissioner. The maximum amount of dividends that may be paid by insurance companies without prior approval of the Ohio Insurance Commissioner is also subject to restrictions relating to statutory capital and surplus and net income. There were no dividends paid by the Company in 2016 or 2015.

(4) Dates dividends were paid out. Not applicable.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of the Company profits that may be paid as ordinary dividends to stockholders.

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

(7) There were no advances to surplus not repaid.

(8) – (13) Not applicable

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments
See Note 21 C for additional information regarding contingent commissions.

B. Assessments
Not applicable

C. Gain Contingencies
Not applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
Not applicable

E. Joint and Several Liabilities
Not applicable

F. All Other Contingencies
Various lawsuits against the Company have arisen in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty at this time, management believes they will not have a material adverse effect on the Company's financial position or results of operations.

The Company is subject to regulations that may result in assessments under state insurance guaranty association laws. The Company is aware that Penn Treaty Network American Insurance Company and its subsidiary American Network Insurance Company (Penn Treaty) has been placed in rehabilitation, an intermediate action before insolvency. Penn Treaty remains in rehabilitation at this time. If rehabilitation is not successful and Penn Treaty is placed in liquidation the Company expect to be required to pay a portion of the policyholder claims through state guaranty association assessments in future periods and estimates that the amount ranges between \$500 and \$1,000. No amounts have been accrued at December 31, 2016.

Note 15 – Leases

Not applicable

Note 16 – Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable

NOTES TO FINANCIAL STATEMENTS**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

Not applicable

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

Not applicable

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

Not applicable

Note 20 – Fair Value Measurements

A. The Company has no assets or liabilities that are reported at fair value as of December 31, 2016.

B. Not applicable

C. Aggregate Fair Value of Financial Instrument

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 49,979	\$ 49,773	\$ -	\$ 49,979	\$ -	\$ -

D. Not applicable

Note 21 – Other Items

A. Unusual or Infrequent Items

Not applicable

B. Troubled Debt Restructuring Debtors

Not applicable

C. Other Disclosures

Mercy Health/HealthSpan Transaction

Effective February 29, 2016, MMO entered into several concurrent asset acquisition agreements with HealthSpan Partners, HealthSpan Inc., and HealthSpan Integrated Care (collectively, HealthSpan). HealthSpan operated primarily as an HMO in Ohio, and is ceasing operations. HealthSpan's ultimate parent is Mercy Health, a nonprofit healthcare provider in Ohio and Kentucky.

In accordance with the agreements, (1) the MMO and its subsidiaries were designated by HealthSpan as their endorsed successor carriers for its commercial, governmental, and network access lines of business; (2) MMO assumed HealthSpan's Federal Employee Health Benefits Plan (FEHBP) enrollment through a novation agreement effective February 29, 2016, and also entered into a corresponding excess of loss reinsurance agreement whereby HealthSpan reinsured any losses incurred in 2016 that would cause the medical loss ratio to exceed 85%; (3) MMO assumed HealthSpan's Medicare Advantage business through a novation agreement effective January 1, 2017; and (4) Medical Mutual Services, LLC, a subsidiary of MMO, was selected as the third party administrator for the Mercy Health employee health plan for a five year term beginning January 1, 2017.

Of these provisions the only portion being accounted for on the Company's statutory financial statements is contingent commission related to the endorsement of commercial business.

Consideration for the transaction consists of a combination of \$12,200 of fixed consideration, which includes transaction costs of \$1,200, and \$6,126 for contingent commission amounts based upon the volume of business that MMO or Company obtained as a result of HealthSpan's endorsement of the Company as its successor carrier. Of the contingent consideration, \$2,861 was attributable to the Company. None of the fixed consideration was attributed to the Company. The contingent commission amounts payable to HealthSpan are being expensed as incurred and the contingent commission payable is included in other liabilities on the statutory statements of admitted assets, liabilities, and capital and surplus.

The Company is subject to certain RBC requirements specified by the NAIC and required by the ODI. Under those requirements, the amount of capital and surplus maintained by the Company is determined based on various risk factors. At December 31, 2016 and 2015, the Company met the RBC requirements.

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-Transferable Tax Credits

Not applicable

F. Subprime Mortgage Related Risk Exposure

Not applicable

G. Retained Assets

Not applicable

H. Insurance-Linked Securities (ILS) Contracts

Not applicable

Note 22 – Events Subsequent

The Company has evaluated subsequent events from the end of the most recent fiscal year through February 27, 2017, the date the statutory financial statements were available to be issued noting no reportable events.

Note 23 – Reinsurance

Not applicable

NOTES TO FINANCIAL STATEMENTS**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

A – C. The reserve for contracts subject to redetermination totaled \$3,500 and \$3,000 at December 31, 2016 and 2015, respectively, and relates to estimated 2011 and 2012 premium adjustments for Federal Employee Health Benefits Program (FEHBP) plans resulting from an audit conducted by the United States Office of Personnel Management which began in 2015. The audit was concluded in 2016 declaring the Company has a \$3,500 liability related to these contracts. The Company is currently contesting this determination.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act.

		1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior Reporting Year						
(1)	Medical loss ratio rebates incurred	\$ -	\$ -	\$ 9	\$ -	\$ 9
(2)	Medical loss ratio rebates paid	-	-	-	-	-
(3)	Medical loss ratio rebates unpaid	-	-	9	-	9
(4)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	9
Current Reporting Year-to-Date						
(7)	Medical loss ratio rebates incurred	\$ -	\$ -	\$ 395	\$ -	\$ 395
(8)	Medical loss ratio rebates paid	-	-	-	-	-
(9)	Medical loss ratio rebates unpaid	-	-	404	-	404
(10)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	404

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions

Yes [] No []

(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	2016
Assets		
1.	Premium adjustments receivable due to ACA Risk Adjustment	\$ 24,243
Liabilities		
2.	Risk adjustment user fees payable for ACA Risk Adjustment	74
3.	Premium adjustments payable due to ACA Risk Adjustment	169
Operations (Revenue & Expenses)		
4.	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	37,300
5.	Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$ 74
b.	Transitional ACA Reinsurance Program	
Assets		
1.	Amounts recoverable for claims paid due to ACA Reinsurance	\$ 18,700
2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	1,185
3.	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	-
Liabilities		
4.	Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	242
5.	Ceded reinsurance premiums payable due to ACA Reinsurance	-
6.	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ -
Operations (Revenue & Expenses)		
7.	Ceded reinsurance premiums due to ACA Reinsurance	\$ 917
8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	22,569
9.	ACA Reinsurance contributions – not reported as ceded premium	\$ 293
c.	Temporary ACA Risk Corridors Program	
Assets		
1.	Accrued retrospective premium due to ACA Risk Corridors	\$ 46
Liabilities		
2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	-
Operations (Revenue & Expenses)		
3.	Effect of ACA Risk Corridors on net premium income (paid/received)	186
4.	Effect of ACA Risk Corridors on change in reserves for rate credits	\$ -

NOTES TO FINANCIAL STATEMENTS

(3) Roll forward of prior year ACA Risk Sharing Provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance:

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program										
1.	Premium adjustments receivable	\$ 9,195	\$ -	\$ 22,421	\$ -	\$ (13,226)	\$ -	\$ 13,226	\$ -	A \$ -
2.	Premium adjustments (payable)	-	-	-	-	-	-	-	-	B -
3.	Subtotal ACA Permanent Risk Adjustment Program	\$ 9,195	\$ -	\$ 22,421	\$ -	\$ (13,226)	\$ -	\$ 13,226	\$ -	\$ -
b. Transitional ACA Reinsurance Program										
1.	Amounts recoverable for claims paid	\$ 28,461	\$ -	\$ 34,858	\$ -	\$ (6,397)	\$ -	\$ 9,715	\$ -	C \$ 3,318
2.	Amounts recoverable for claims unpaid (contra liability)	3,714	-	-	-	3,714	-	(3,714)	-	D -
3.	Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E -
4.	Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premiums	-	557	-	557	-	-	-	-	F -
5.	Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G -
6.	Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H -
7.	Subtotal ACA Transitional Reinsurance Program	\$ 32,175	\$ 557	\$ 34,858	\$ 557	\$ (2,683)	\$ -	\$ 6,001	\$ -	\$ 3,318
c. Temporary ACA Risk Corridors Program										
1.	Accrued retrospective premium	\$ 61	\$ -	\$ 201	\$ -	\$ (140)	\$ -	\$ 186	\$ -	I \$ 46
2.	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J -
3.	Subtotal ACA Risk Corridors Program	61	-	201	-	(140)	-	186	-	46
d.	Total for ACA Risk Sharing Provisions	\$ 41,431	\$ 557	\$ 57,480	\$ 557	\$ (16,049)	\$ -	\$ 19,413	\$ -	\$ 3,364

Explanations of Adjustments

- A. ACA Risk Adjustment based on the final risk adjustment report received from HHS on June 30, 2016 and 2014 Risk Adjustment payments received in excess of the amount accrued at December 31, 2015.
- B. Not applicable
- C. ACA Reinsurance based on the final reinsurance report received from HHS on June 30, 2016.
- D. ACA Reinsurance based on the final reinsurance report received from HHS on June 30, 2016.
- E. Not applicable
- F. Not applicable
- G. Not applicable
- H. Not applicable
- I. Adjustment based on Risk Corridor payments received in excess of the amount accrued at December 31, 2015.
- J. Not applicable

NOTES TO FINANCIAL STATEMENTS

(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 as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. 2014										
1.	Accrued retrospective premium	\$ 61	\$ -	\$ 201	\$ -	\$ (140)	\$ -	\$ 186	\$ -	A \$ 46
2.	Reserve for rate credits for policy experience rating refunds	-	-	-	-	-	-	-	-	B -
b. 2015										
1.	Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	C \$ -
2.	Reserve for rate credits for policy experience rating refunds	-	-	-	-	-	-	-	-	D -
c. 2016										
1.	Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	E \$ -
2.	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	F -
d.	Total for Risk Corridors	\$ 61	\$ -	\$ 201	\$ -	\$ (140)	\$ -	\$ 186	\$ -	\$ 46

A. ACA Risk Corridor based on the Risk Corridors Payment and Charge Amounts for the 2015 Benefit Year received from HHS on November 18, 2016, and Risk Corridor payments received in excess of the amount accrued at December 31, 2015.

- B. Not applicable
- C. Not applicable
- D. Not applicable
- E. Not applicable
- F. Not applicable

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1	2	3	4	5	5
	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts Received from CMS	Asset Balance (Gross of Non-Admissions) (1-2-3)	Non-Admitted Amount	Net Admitted Asset (4-5)
a. 2014	\$ 4,978	\$ 4,192	\$ 740	\$ 46	\$ -	\$ 46
b. 2015	\$ 4,279	\$ 4,279	\$ -	\$ -	\$ -	\$ -
c. 2016	\$ 23,080	\$ 23,080	\$ -	\$ -	\$ -	\$ -
d. Total (a+b+c)	\$ 32,337	\$ 31,551	\$ 740	\$ 46	\$ -	\$ 46

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A \$7,804 redundancy in the December 31, 2015 reserves emerged in 2016, and a \$16,116 redundancy in the December 31, 2014 reserves emerged in 2015. In 2016, \$6,001 of the total redundancy of \$7,804 that emerged resulted from the increase in the Transitional ACA Reinsurance Program coinsurance rate for 2015 from 50% to 55.1%. In 2015, \$10,605 of the total redundancy of \$16,116 that emerged resulted from the increase in the Transitional ACA Reinsurance Program coinsurance rate for 2014 from 80% to 100%. The remaining 2016 and 2015 redundancies resulted from differences in claims severity and utilization as compared to expectations.

Note 26 – Intercompany Pooling Arrangements

Not applicable

Note 27 – Structured Settlements

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 28 – Health Care Receivables****A. Pharmaceutical Rebate Receivables**

The Company accounts for pharmaceutical rebate receivables in accordance with SSAP No. 84. The admitted receivable balances as of December 31, 2016 and 2015, are \$4,112 and \$4,744, respectively, are included in health care and other receivables on the statutory statements of admitted assets, liabilities and capital and surplus. These are comprised of the estimated pharmacy rebates for the current quarter as reported in the financial statements plus the pharmacy rebates invoiced/confirmed for the preceding quarter. Additional details are included in the table below:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/Confirmed	Actual Rebates		
			Collected Within 90 Days of Invoicing/Confirmation	Collected Within 91 to 180 Days of Invoicing/Confirmation	Collected More than 180 Days After Invoicing/Confirmation
December 31, 2016	\$ 2,152	\$ -	\$ -	\$ -	\$ -
September 30, 2016	1,762	1,960	-	-	-
June 30, 2016	1,936	2,079	2,079	-	-
March 31, 2016	1,597	1,846	1,846	3	-
December 31, 2015	\$ 2,399	\$ 2,399	\$ -	\$ 2,426	\$ 210
September 30, 2015	1,949	2,345	1,918	3	405
June 30, 2015	1,306	2,126	1,466	3	349
March 31, 2015	1,340	1,535	1,401	(136)	119
December 31, 2014	\$ 1,142	\$ 1,173	\$ -	\$ 1,086	\$ 30
September 30, 2014	970	785	-	914	13
June 30, 2014	529	700	-	681	12
March 31, 2014	372	350	-	319	38

B. Risk Sharing Receivables
Not applicable**Note 29 – Participating Policies**

Not applicable

Note 30 – Premium Deficiency Reserves

1 - 3 Premium deficiency reserves are recognized for health contracts when expected claims, claim adjustment expenses, and administrative costs exceed the premium to be collected for the remainder of the contract period. The Company considers anticipated net investment income as a factor in determining the premium deficiency reserve amount. Premium deficiency reserves at December 31, 2016 and 2015, totaled \$6,614 and \$7,600, respectively.

Note 31 – Anticipated Salvage and Subrogation

The reserves for unpaid claims and claims adjustment expense at December 31, 2016 and 2015, have been reduced by \$988 and \$700, respectively, related to anticipated subrogation claims recoverable.

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? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A and 2.

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

1.3 State regulating? OHIO

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

2.2 If yes, date of change:

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

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/12/2016

3.4 By what department or departments? OHIO DEPARTMENT OF INSURANCE

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]

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

4.11 sales of new business? 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 entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control %

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, 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 with the Federal Reserve Board? Yes [] No [X]

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers, LLC, 200 Public Square, 18th Floor, Cleveland, OH 44114

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

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

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

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

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

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

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Ms. Jinn-Feng Lin, FSA, MAAA, PricewaterhouseCoopers, LLC, One North Wacker Drive, Chicago, IL 60606

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company _____
 12.12 Number of parcels involved _____
 12.13 Total book/adjusted carrying value \$ _____ 0

12.2 If yes, provide explanation

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.

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

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

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

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

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

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

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

FINANCIAL

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

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

20.11 To directors or other officers	\$ _____ 0
20.12 To stockholders not officers	\$ _____ 0
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____ 0

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

20.21 To directors or other officers	\$ _____ 0
20.22 To stockholders not officers	\$ _____ 0
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____ 0

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

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

21.21 Rented from others	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

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

22.2 If answer is yes:

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

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____ 0

Medical Health Insuring Corporation of Ohio

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

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

24.02 If no, give full and complete information, relating thereto:

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

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

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

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

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

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

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

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ _____ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ _____ 0

24.103 Total payable for securities lending reported on the liability page: \$ _____ 0

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

25.2 If yes, state the amount thereof at December 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 sale – excluding FHLB Capital Stock	\$ _____ 0
25.27 FHLB Capital Stock	\$ _____ 0
25.28 On deposit with states	\$ _____ 424,766
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: \$ _____

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

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

1 Name of Custodian(s)	2 Custodian's Address
FIFTH THIRD BANK	5050 KINGSLEY DRIVE, CINCINNATI, OH 45263

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
JAMES CELLURA	I

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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 [] No [X]

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 [] No [X]

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.

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

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

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	63,959,887	64,165,509	205,622
30.2	Preferred Stocks	0	0	0
30.3	Totals	63,959,887	64,165,509	205,622

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

The fair value of our securities was determined by utilizing prices obtained from our custodian, Fifth Third Bank. Fifth Third utilizes FT Interactive Data for their pricing.

Yes [X] No []

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

Yes [X] No []

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

Yes [X] No []

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

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [X] No []

32.2 If no, list exceptions:

OTHER

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

\$ 0

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

1 Name	2 Amount Paid
	\$

34.1 Amount of payments for legal expenses, if any?

\$ 0

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

1 Name	2 Amount Paid
	\$

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

\$ 0

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

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES**PART 2 – HEALTH INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
1.2	If yes, indicate premium earned on U.S. business only.	\$	49,838,019
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.	\$	40,299,026
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	49,810,596
1.62	Total incurred claims	\$	40,255,466
1.63	Number of covered lives	\$	29,371
	All years prior to most current three years:		
1.64	Total premium earned	\$	27,423
1.65	Total incurred claims	\$	43,560
1.66	Number of covered lives	\$	7
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	\$ 328,591,041	\$ 252,759,010
2.2	Premium Denominator	\$ 328,591,041	\$ 252,759,010
2.3	Premium Ratio (2.1/2.2)	\$ 100.000	\$ 100.000
2.4	Reserve Numerator	\$ 60,460,503	\$ 41,042,850
2.5	Reserve Denominator	\$ 60,460,503	\$ 41,042,850
2.6	Reserve Ratio (2.4/2.5)	\$ 100.000	\$ 100.000
3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
3.2	If yes, give particulars:		
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
5.1	Does the reporting entity have stop-loss reinsurance?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]
5.2	If no, explain: <u>Management considered (1) the increasing cost of retaining stop loss coverage, (2) the maximum exposure per enrollee, and (3) the strong surplus position of the Company and its Parent in deciding to forgo stop loss coverage during 2016. Risk retention decisions are regularly reviewed by management.</u>		
5.3	Maximum retained risk (see instructions)		
5.31	Comprehensive Medical	\$	0
5.32	Medical Only	\$	0
5.33	Medicare Supplement	\$	0
5.34	Dental and Vision	\$	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:		

Medical Health Insuring Corporation of Ohio

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

Hold harmless provisions and covered service provisions

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			48,205																									
8.2	Number of providers at end of reporting year			48,453																									
9.1	Does the reporting entity have business subject to premium rate guarantees?			Yes [] No [X]																									
9.2	If yes, direct premium earned:																												
9.21	Business with rate guarantees with rate guarantees between 15-36 months			\$	2,698,066																								
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 [X] No []																									
10.2	If yes:																												
10.21	Maximum amount payable bonuses			\$	501,000																								
10.22	Amount actually paid for year bonuses			\$	220,220																								
10.23	Maximum amount payable withhold			\$	0																								
10.24	Amount actually paid for year withhold			\$	0																								
11.1	Is the reporting entity organized as:																												
11.12	A Medical Group/Staff Model,			Yes [] No [X]																									
11.13	An Individual Practice Association (IPA), or,			Yes [] No [X]																									
11.14	A Mixed Model (combination of above)?			Yes [] No [X]																									
11.2	Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?			Yes [X] No []																									
11.3	If yes, show the name of the state requiring such minimum capital and surplus. <u>OHIO</u>																												
11.4	If yes, show the amount required.			\$	8,909,146																								
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 <u>10% of total liabilities</u>																												
12.	List service areas in which reporting entity is licensed to operate:																												
	1 Name of Service Area <u>OHIO</u>																												
13.1	Do you act as a custodian for health savings accounts?			Yes [] No [X]																									
13.2	If yes, please provide the amount of custodial funds held as of the reporting date.			\$	0																								
13.3	Do you act as an administrator for health savings accounts?			Yes [] No [X]																									
13.4	If yes, please provide the balance of the funds administered as of the reporting date.			\$	0																								
14.1	Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?			Yes [] No [] N/A [X]																									
14.2	If the answer to 14.1 is yes, please provide the following:																												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 25%;">1 Company Name</th> <th rowspan="2" style="width: 25%;">2 NAIC Company Code</th> <th rowspan="2" style="width: 25%;">3 Domiciliary Jurisdiction</th> <th rowspan="2" style="width: 25%;">4 Reserve Credit</th> <th colspan="3">Assets Supporting Reserve Credit</th> </tr> <tr> <th>5 Letters of Credit</th> <th>6 Trust Agreements</th> <th>7 Other</th> </tr> </thead> <tbody> <tr> <td></td> <td>0</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			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		0	\$	\$	\$	\$										
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																							
	0	\$	\$	\$	\$																								
15.	Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).																												
15.1	Direct Premium Written			\$	0																								
15.2	Total Incurred Claims			\$	0																								
15.3	Number of Covered Lives			0																									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">*Ordinary Life Insurance Includes</th> </tr> </thead> <tbody> <tr> <td colspan="4">Term (whether full underwriting, limited underwriting, jet issue, "short form app")</td> </tr> <tr> <td colspan="4">Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")</td> </tr> <tr> <td colspan="4">Variable Life (with or without secondary guarantee)</td> </tr> <tr> <td colspan="4">Universal Life (with or without secondary guarantee)</td> </tr> <tr> <td colspan="4">Variable Universal Life (with or without secondary guarantee)</td> </tr> </tbody> </table>			*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)					
*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)																													

Medical Health Insuring Corporation of Ohio

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	155,553,561	123,305,414	118,646,459	92,366,347	90,275,064
2. Total liabilities (Page 3, Line 24).....	89,091,459	63,748,923	49,190,436	3,721,193	3,611,914
3. Statutory minimum capital and surplus requirement.....	8,909,146	17,909,306	13,093,616	1,578,852	1,911,988
4. Total capital and surplus (Page 3, Line 33).....	66,462,102	59,556,491	69,456,023	88,645,154	86,663,150
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	328,196,041	252,750,010	159,832,026	12,262,266	23,964,203
6. Total medical and hospital expenses (Line 18).....	295,114,742	218,336,546	154,278,687	11,250,194	20,580,605
7. Claims adjustment expenses (Line 20).....	11,275,156	7,733,165	5,931,405	418,336	637,000
8. Total administrative expenses (Line 21).....	49,131,362	32,789,181	19,494,474	735,168	1,144,264
9. Net underwriting gain (loss) (Line 24).....	(26,339,219)	(13,708,882)	(19,872,540)	(141,432)	1,602,334
10. Net investment gain (loss) (Line 27).....	1,413,245	1,737,300	2,233,637	2,557,618	3,000,159
11. Total other income (Lines 28 plus 29).....	(2,029,204)	(1,342,166)	(1,158,851)	(2,306)	(1,615)
12. Net income or (loss) (Line 32).....	(18,121,500)	(8,412,877)	(20,301,064)	1,952,352	3,786,062
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(4,664,616)	(3,642,539)	(20,431,292)	3,664,739	2,507,498
Risk-Based Capital Analysis					
14. Total adjusted capital.....	66,462,102	59,556,491	69,456,023	88,645,154	86,663,150
15. Authorized control level risk-based capital.....	11,628,083	8,954,653	6,546,808	789,426	955,994
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	76,732	47,958	41,138	2,746	3,934
17. Total member months (Column 6, Line 7).....	855,754	604,488	394,555	31,698	45,868
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	89.9	86.4	96.5	91.7	85.9
20. Cost containment expenses.....	1.2	1.3	1.4	1.3	1.0
21. Other claims adjustment expenses.....	2.2	1.8	2.3	2.2	1.7
22. Total underwriting deductions (Line 23).....	108.0	105.4	112.4	101.2	93.3
23. Total underwriting gain (loss) (Line 24).....	(8.0)	(5.4)	(12.4)	(1.2)	6.7
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	14,437,380	8,205,830	797,053	1,827,748	2,131,724
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	22,241,168	21,545,242	1,298,737	1,720,900	2,751,242
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch. D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch. D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

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

Yes No

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama.....	AL ..N.....							0	
2. Alaska.....	AK ..N.....							0	
3. Arizona.....	AZ ..N.....							0	
4. Arkansas.....	AR ..N.....							0	
5. California.....	CA ..N.....							0	
6. Colorado.....	CO ..N.....							0	
7. Connecticut.....	CT ..N.....							0	
8. Delaware.....	DE ..N.....							0	
9. District of Columbia.....	DC ..N.....							0	
10. Florida.....	FL ..N.....							0	
11. Georgia.....	GA ..N.....							0	
12. Hawaii.....	HI ..N.....							0	
13. Idaho.....	ID ..N.....							0	
14. Illinois.....	IL ..N.....							0	
15. Indiana.....	IN ..N.....							0	
16. Iowa.....	IA ..N.....							0	
17. Kansas.....	KS ..N.....							0	
18. Kentucky.....	KY ..N.....							0	
19. Louisiana.....	LA ..N.....							0	
20. Maine.....	ME ..N.....							0	
21. Maryland.....	MD ..N.....							0	
22. Massachusetts.....	MA ..N.....							0	
23. Michigan.....	MI ..N.....							0	
24. Minnesota.....	MN ..N.....							0	
25. Mississippi.....	MS ..N.....							0	
26. Missouri.....	MO ..N.....							0	
27. Montana.....	MT ..N.....							0	
28. Nebraska.....	NE ..N.....							0	
29. Nevada.....	NV ..N.....							0	
30. New Hampshire.....	NH ..N.....							0	
31. New Jersey.....	NJ ..N.....							0	
32. New Mexico.....	NM ..N.....							0	
33. New York.....	NY ..N.....							0	
34. North Carolina.....	NC ..N.....							0	
35. North Dakota.....	ND ..N.....							0	
36. Ohio.....	OH ..L.....	330,007,587			(500,000)			329,507,587	
37. Oklahoma.....	OK ..N.....							0	
38. Oregon.....	OR ..N.....							0	
39. Pennsylvania.....	PA ..N.....							0	
40. Rhode Island.....	RI ..N.....							0	
41. South Carolina.....	SC ..N.....							0	
42. South Dakota.....	SD ..N.....							0	
43. Tennessee.....	TN ..N.....							0	
44. Texas.....	TX ..N.....							0	
45. Utah.....	UT ..N.....							0	
46. Vermont.....	VT ..N.....							0	
47. Virginia.....	VA ..N.....							0	
48. Washington.....	WA ..N.....							0	
49. West Virginia.....	WV ..N.....							0	
50. Wisconsin.....	WI ..N.....							0	
51. Wyoming.....	WY ..N.....							0	
52. American Samoa.....	AS ..N.....							0	
53. Guam.....	GU ..N.....							0	
54. Puerto Rico.....	PR ..N.....							0	
55. U.S. Virgin Islands.....	VI ..N.....							0	
56. Northern Mariana Islands.....	MP ..N.....							0	
57. Canada.....	CAN ..N.....							0	
58. Aggregate Other alien.....	OT ..XXX.....	0	0	0	0	0	0	0	0
59. Subtotal.....	XXX.....	330,007,587	0	0	(500,000)	0	0	329,507,587	0
60. Reporting entity contributions for Employee Benefit Plans.....	XXX.....							0	
61. Total (Direct Business).....	(a).....1	330,007,587	0	0	(500,000)	0	0	329,507,587	0

DETAILS OF WRITE-INS

58001.....								0	
58002.....								0	
58003.....								0	
58998. Summary of remaining write-ins for line 58.....	0	0	0	0	0	0	0	0	0
58999. Total (Lines 58001 through 58003 + 58998).....	0	0	0	0	0	0	0	0	0

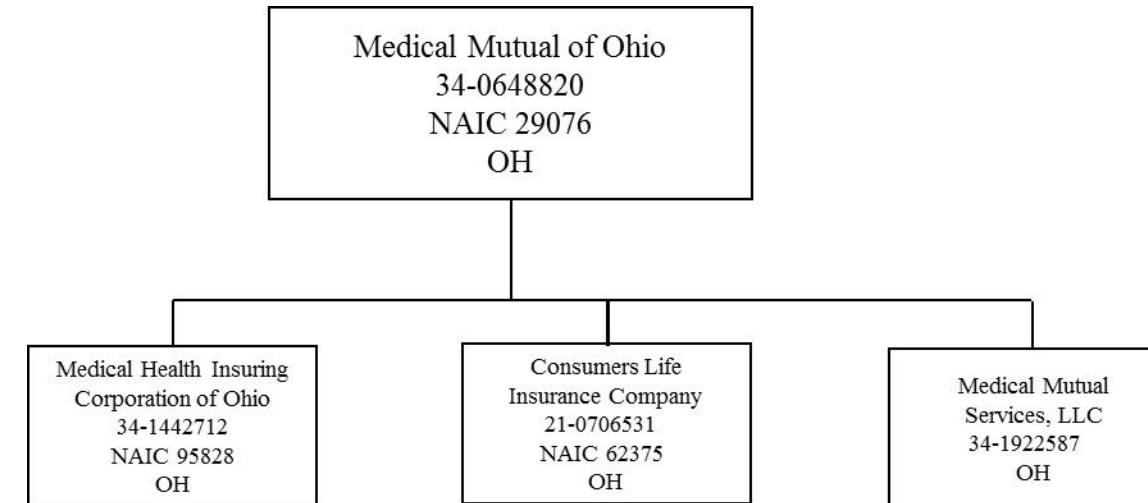
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
 (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to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

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

Premiums are allocated based upon the location of the group's home office or the individual's home address.

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

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



2016 ALPHABETICAL INDEX
HEALTH ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business	7	Schedule D – Part 6 – Section 2	E16
Assets	2	Schedule D – Summary By Country	SI04
Cash Flow	6	Schedule D – Verification Between Years	SI03
Exhibit 1 – Enrollment By Product Type for Health Business Only	17	Schedule DA – Part 1	E17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18	Schedule DA – Verification Between Years	SI10
Exhibit 3 – Health Care Receivables	19	Schedule DB – Part A – Section 1	E18
Exhibit 3A – Health Care Receivables Collected and Accrued	20	Schedule DB – Part A – Section 2	E19
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	21	Schedule DB – Part A – Verification Between Years	SI11
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	22	Schedule DB – Part B – Section 1	E20
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	23	Schedule DB – Part B – Section 2	E21
Exhibit 7 – Part 1 – Summary of Transactions With Providers	24	Schedule DB – Part B – Verification Between Years	SI11
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	24	Schedule DB – Part C – Section 1	SI12
Exhibit 8 – Furniture, Equipment and Supplies Owned	25	Schedule DB – Part C – Section 2	SI13
Exhibit of Capital Gains (Losses)	15	Schedule DB – Part D – Section 1	E22
Exhibit of Net Investment Income	15	Schedule DB – Part D – Section 2	E23
Exhibit of Nonadmitted Assets	16	Schedule DB – Verification	SI14
Exhibit of Premiums, Enrollment and Utilization (State Page)	30	Schedule DL – Part 1	E24
Five-Year Historical Data	29	Schedule DL – Part 2	E25
General Interrogatories	27	Schedule E – Part 1 – Cash	E26
Jurat Page	1	Schedule E – Part 2 – Cash Equivalents	E27
Liabilities, Capital and Surplus	3	Schedule E – Part 3 – Special Deposits	E28
Notes To Financial Statements	26	Schedule E – Verification Between Years	SI15
Overflow Page For Write-ins	44	Schedule S – Part 1 – Section 2	31
Schedule A – Part 1	E01	Schedule S – Part 2	32
Schedule A – Part 2	E02	Schedule S – Part 3 – Section 2	33
Schedule A – Part 3	E03	Schedule S – Part 4	34
Schedule A – Verification Between Years	SI02	Schedule S – Part 5	35
Schedule B – Part 1	E04	Schedule S – Part 6	36
Schedule B – Part 2	E05	Schedule S – Part 7	37
Schedule B – Part 3	E06	Schedule T – Part 2 – Interstate Compact	38
Schedule B – Verification Between Years	SI02	Schedule T – Premiums and Other Considerations	39
Schedule BA – Part 1	E07	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule BA – Part 2	E08	Schedule Y – Part 1A – Detail of Insurance Holding Company System	41
Schedule BA – Part 3	E09	Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	42
Schedule BA – Verification Between Years	SI03	Statement of Revenue and Expenses	4
Schedule D – Part 1	E10	Summary Investment Schedule	SI01
Schedule D – Part 1A – Section 1	SI05	Supplemental Exhibits and Schedules Interrogatories	43
Schedule D – Part 1A – Section 2	SI08	Underwriting and Investment Exhibit – Part 1	8
Schedule D – Part 2 – Section 1	E11	Underwriting and Investment Exhibit – Part 2	9
Schedule D – Part 2 – Section 2	E12	Underwriting and Investment Exhibit – Part 2A	10
Schedule D – Part 3	E13	Underwriting and Investment Exhibit – Part 2B	11
Schedule D – Part 4	E14	Underwriting and Investment Exhibit – Part 2C	12
Schedule D – Part 5	E15	Underwriting and Investment Exhibit – Part 2D	13
Schedule D – Part 6 – Section 1	E16	Underwriting and Investment Exhibit – Part 3	14