



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017  
OF THE CONDITION AND AFFAIRS OF THE

## Medical Benefits Mutual Life Insurance Co.

NAIC Group Code 0000 NAIC Company Code 74322 Employer's ID Number 31-4210910  
(Current) (Prior) State of Domicile or Port of Entry OH

Organized under the Laws of Ohio, State of Domicile or Port of Entry OH

Country of Domicile United States of America

Incorporated/Organized 05/06/1938 Commenced Business 04/04/1938

Statutory Home Office 1975 Tamarack Road, Newark, OH, US 43055  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1975 Tamarack Road  
Newark, OH 43055 (Street and Number) 800-423-3151

(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Internet Website Address [www.medben.com](http://www.medben.com)

Statutory Statement Contact John Edward Nydegger, Jr., 800-423-3151  
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## OFFICERS

CEO Douglas James Freeman Vice President of Finance &  
Controller John Edward Nydegger Jr.  
President/Treasurer Kurt Jeffrey Harden

**OTHER**

## **DIRECTORS OR TRUSTEES**

The officers of the reporting entity being duly sworn, do hereby declare that they are the designated 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.

Douglas James Freeman  
CEO

Kurt Jeffrey Harden  
President/Treasurer

John Edward Nydegger, Jr.  
Vice President of Finance & Controller

Subscribed and sworn to before me this  
28 day of February 2018

a. Is this an original filing? ..... Yes [  ] No [  ]  
b. If no,  
1. State the amendment number.....  
2. Date filed ..... 02/28/2018  
3. Number of pages attached.....

Bethany Painter  
Notary Public  
08/10/2020

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Medical Benefits Mutual Life Insurance Co.

**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) .....	4,984,770	0	4,984,770	5,003,115
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	500	0	500	500
2.2 Common stocks .....	6,117,012	2,176	6,114,836	6,172,763
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances) .....	0	1,368,835	1,368,835	1,191,883
4.2 Properties held for the production of income (less \$ 0 encumbrances) .....			0	0
4.3 Properties held for sale (less \$ 0 encumbrances) .....			0	0
5. Cash (\$ 116,286 , Schedule E - Part 1), cash equivalents (\$ 496,333 , Schedule E - Part 2) and short-term investments (\$ 50,000 , Schedule DA) .....	662,619	0	662,619	1,200,018
6. Contract loans (including \$ premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....			0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	13,133,736	2,176	13,131,560	13,568,279
13. Title plants less \$ charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	15,408	0	15,408	13,992
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,894	0	2,894	0
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ) and contracts subject to redetermination (\$ ) .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	22,217	22,218	(1)	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	1,849
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	0
18.2 Net deferred tax asset .....	957,000	583,000	374,000	590,000
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	99,024	99,024	0	0
21. Furniture and equipment, including health care delivery assets (\$ ) .....	7,778	7,778	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	346,094	0	346,094	369,147
24. Health care (\$ ) and other amounts receivable .....	11,900	0	11,900	14,938
25. Aggregate write-ins for other than invested assets .....	1,179,904	322,725	857,179	801,702
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	15,775,955	1,036,921	14,739,034	15,359,907
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	15,775,955	1,036,921	14,739,034	15,359,907
<b>DETAILS OF WRITE-INS</b>				
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
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. Cash Surrender Value of Officers Life Insurance .....	857,179	0	857,179	801,702
2502. Prepaid Expenses and Deposits .....	320,958	320,958	0	0
2503. IMR .....	1,767	1,767	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	1,179,904	322,725	857,179	801,702

## LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ ..... (Exh. 5, Line 9999999) less \$ ..... included in Line 6.3 (including \$ ..... Modco Reserve) .....		0	0
2. Aggregate reserve for accident and health contracts (including \$ ..... 0 Modco Reserve) .....		0	0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ ..... Modco Reserve) .....			
4. Contract claims:			
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	58,763	60,000	
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) .....	65,361	97,763	
5. Policyholders' dividends \$ ..... and coupons \$ ..... due and unpaid (Exhibit 4, Line 10) .....		0	0
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:			
6.1 Dividends apportioned for payment (including \$ ..... Modco) .....			
6.2 Dividends not yet apportioned (including \$ ..... Modco) .....			
6.3 Coupons and similar benefits (including \$ ..... Modco) .....			
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....			
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ ..... discount; including \$ ..... 36,845 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) .....	38,525	53,564	
9. Contract liabilities not included elsewhere:			
9.1 Surrender values on canceled contracts .....			
9.2 Provision for experience rating refunds, including the liability of \$ ..... accident and health experience rating refunds of which \$ ..... 0 is for medical loss ratio rebate per the Public Health Service Act .....			
9.3 Other amounts payable on reinsurance, including \$ ..... assumed and \$ ..... ceded .....	0	0	
9.4 Interest maintenance reserve (IMR, Line 6) .....	0		(1,466)
10. Commissions to agents due or accrued-life and annuity contracts \$ ..... accident and health \$ ..... and deposit-type contract funds \$ .....	3,535	2,578	
11. Commissions and expense allowances payable on reinsurance assumed .....			
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6) .....	2,549,883	2,935,980	
13. Transfers to Separate Accounts due or accrued (net) (including \$ ..... accrued for expense allowances recognized in reserves, net of reinsured allowances) .....			
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) .....	45,927	44,280	
15.1 Current federal and foreign income taxes, including \$ ..... on realized capital gains (losses) .....			
15.2 Net deferred tax liability .....			
16. Unearned investment income .....			
17. Amounts withheld or retained by company as agent or trustee .....	0		5,000
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....			
19. Remittances and items not allocated .....			
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			
21. Liability for benefits for employees and agents if not included above .....			
22. Borrowed money \$ ..... and interest thereon \$ .....			
23. Dividends to stockholders declared and unpaid .....			
24. Miscellaneous liabilities:			
24.01 Asset valuation reserve (AVR, Line 16, Col. 7) .....	1,022,426	1,014,733	
24.02 Reinsurance in unauthorized and certified (\$ ..... 0 ) companies .....	0	0	
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$ ..... ) reinsurers .....			
24.04 Payable to parent, subsidiaries and affiliates .....	365,187	300,350	
24.05 Drafts outstanding .....			
24.06 Liability for amounts held under uninsured plans .....			138,558
24.07 Funds held under coinsurance .....			
24.08 Derivatives .....	0	0	
24.09 Payable for securities .....			
24.10 Payable for securities lending .....			
24.11 Capital notes \$ ..... and interest thereon \$ .....			
25. Aggregate write-ins for liabilities .....	10,000	10,000	
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	4,159,607	4,661,340	
27. From Separate Accounts Statement .....			
28. Total liabilities (Lines 26 and 27) .....	4,159,607	4,661,340	
29. Common capital stock .....			
30. Preferred capital stock .....			
31. Aggregate write-ins for other than special surplus funds .....	0	0	
32. Surplus notes .....	0	0	
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) .....			
34. Aggregate write-ins for special surplus funds .....	6	58	
35. Unassigned funds (surplus) .....	10,579,421	10,698,509	
36. Less treasury stock, at cost:			
36.1 ..... shares common (value included in Line 29 \$ ..... ) .....			
36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....			
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ ..... in Separate Accounts Statement) .....	10,579,427	10,698,567	
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) .....	10,579,427	10,698,567	
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	14,739,034	15,359,907	
<b>DETAILS OF WRITE-INS</b>			
2501. Claims Adjustment Liability .....	10,000	10,000	
2502. .....			
2503. .....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	10,000	10,000	
3101. .....			0
3102. .....			0
3103. .....			0
3198. Summary of remaining write-ins for Line 31 from overflow page .....	0	0	
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) .....	0	0	
3401. Misc .....	6	58	
3402. .....			0
3403. .....			0
3498. Summary of remaining write-ins for Line 34 from overflow page .....	0	0	
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....	6	58	

**SUMMARY OF OPERATIONS**

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11) .....	1,148,334	2,218,560
2. Considerations for supplementary contracts with life contingencies .....	0	(54,299)
3. Net investment income (Exhibit of Net Investment Income, Line 17) .....	(215,850)	(362)
4. Amortization of Interest Maintenance Reserve (IMR, Line 5) .....	(362)	223
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1) .....	0	0
7. Reserve adjustments on reinsurance ceded .....	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts .....	0	0
8.2 Charges and fees for deposit-type contracts .....	0	0
8.3 Aggregate write-ins for miscellaneous income .....	1,375,297	3,135,836
9. Total (Lines 1 to 8.3) .....	2,307,419	5,300,320
10. Death benefits .....	57,271	65,000
11. Matured endowments (excluding guaranteed annual pure endowments) .....	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) .....	0	0
13. Disability benefits and benefits under accident and health contracts .....	487,759	718,675
14. Coupons, guaranteed annual pure endowments and similar benefits .....	0	0
15. Surrender benefits and withdrawals for life contracts .....	0	0
16. Group conversions .....	0	0
17. Interest and adjustments on contract or deposit-type contract funds .....	0	0
18. Payments on supplementary contracts with life contingencies .....	0	0
19. Increase in aggregate reserves for life and accident and health contracts .....	0	0
20. Totals (Lines 10 to 19) .....	545,030	783,675
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) .....	38,503	102,034
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) .....	0	0
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4) .....	1,904,817	4,344,214
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) .....	24,866	147,298
25. Increase in loading on deferred and uncollected premiums .....	0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance .....	0	0
27. Aggregate write-ins for deductions .....	(150,000)	820,023
28. Totals (Lines 20 to 27) .....	2,363,216	6,197,244
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	(55,797)	(896,924)
30. Dividends to policyholders .....	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....	(55,797)	(896,924)
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	(43,000)	(233,180)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) .....	(12,797)	(663,744)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ .....	53,329	36,799
35. Net income (Line 33 plus Line 34) .....	40,532	(626,945)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) .....	10,698,567	11,004,957
37. Net income (Line 35) .....	40,532	(626,945)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	0	69,973
39. Change in net unrealized foreign exchange capital gain (loss) .....		
40. Change in net deferred income tax .....	(680,000)	0
41. Change in nonadmitted assets .....	605,047	174,737
42. Change in liability for reinsurance in unauthorized and certified companies .....		
43. Change in reserve on account of change in valuation basis, (increase) or decrease .....	0	0
44. Change in asset valuation reserve .....	(7,692)	(4,946)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1) .....	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period .....		
47. Other changes in surplus in Separate Accounts Statement .....		
48. Change in surplus notes .....		
49. Cumulative effect of changes in accounting principles .....		
50. Capital changes:		
50.1 Paid in .....		
50.2 Transferred from surplus (Stock Dividend) .....		
50.3 Transferred to surplus .....		
51. Surplus adjustment:		
51.1 Paid in .....	0	0
51.2 Transferred to capital (Stock Dividend) .....		
51.3 Transferred from capital .....		
51.4 Change in surplus as a result of reinsurance .....		
52. Dividends to stockholders .....		
53. Aggregate write-ins for gains and losses in surplus .....	(147,000)	(56,263)
54. Net change in capital and surplus for the year (Lines 37 through 53) .....	(119,140)	(306,390)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) .....	10,579,427	10,698,567
<b>DETAILS OF WRITE-INS</b>		
08.301. Speciality Services Income .....	1,185,810	1,229,028
08.302. Set-up and One Time Fees .....	18,956	28,853
08.303. Management Fee Income .....	170,531	1,877,955
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above) .....	1,375,297	3,135,836
2701. ACA Risk Adjustment Expense .....	(150,000)	819,826
2702. IMR amortization adjusment .....	0	197
2703. .....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above) .....	(150,000)	820,023
5301. Adjusted to non-admitted asset to tie to TB (Change in nonadmitted asset Ln 41) .....		(56,315)
5302. Misc .....		52
5303. Corporate Tax Rate Adj to PY .....	(147,000)	0
5398. Summary of remaining write-ins for Line 53 from overflow page .....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) .....	(147,000)	(56,263)

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	1,130,401	2,206,111
2. Net investment income .....	(196,435)	(22,391)
3. Miscellaneous income .....	1,375,297	3,135,836
4. Total (Lines 1 through 3) .....	2,309,263	5,319,556
5. Benefit and loss related payments .....	581,163	1,531,614
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	2,259,606	5,277,482
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	(43,000)	(138,180)
10. Total (Lines 5 through 9) .....	2,797,769	6,670,916
11. Net cash from operations (Line 4 minus Line 10) .....	(488,506)	(1,351,360)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	2,186,789	1,854,411
12.2 Stocks .....	524,984	574,269
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	2,711,773	2,428,680
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	2,188,732	1,238,680
13.2 Stocks .....	302,659	533,822
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	297,805	(574,976)
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	2,789,196	1,197,526
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(77,423)	1,231,154
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	(55,888)
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	28,530	56,898
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	28,530	1,010
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(537,399)	(119,195)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	1,200,018	1,319,213
19.2 End of year (Line 18 plus Line 19.1) .....	662,619	1,200,018

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

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ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Medical Benefits Mutual Life Insurance Co.

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	1,148,334	0	0	0	0	0	164,656	0	983,678	0	0	0
2. Considerations for supplementary contracts with life contingencies	0	0	0	0	0	0	0	0	0	0	0	0
3. Net investment income	(215,850)	0	0	0	0	0	(38,936)	0	(176,914)	0	0	0
4. Amortization of Interest Maintenance Reserve (IMR)	(362)	0	0	0	0	0	(68)	0	(294)	0	0	0
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0	0	0	0	0	0	0	0	0	0	0
6. Commissions and expense allowances on reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0
7. Reserve adjustments on reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	0	0	0	0	0	0	0	0	0	0	0	0
8.2 Charges and fees for deposit-type contracts	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Aggregate write-ins for miscellaneous income	1,375,297	0	0	0	0	0	248,083	0	1,127,214	0	0	0
9. Totals (Lines 1 to 8.3)	2,307,419	0	0	0	0	0	373,735	0	1,933,684	0	0	0
10. Death benefits	57,271	0	0	0	0	0	57,271	0	0	0	0	0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0	0	0	0	0	0	0	0	0	0	0
12. Annuity benefits	0	0	0	0	0	0	0	0	0	0	0	0
13. Disability benefits and benefits under accident and health contracts	487,759	0	0	0	0	0	0	0	487,759	0	0	0
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0	0	0	0	0	0	0	0	0	0	0
15. Surrender benefits and withdrawals for life contracts	0	0	0	0	0	0	0	0	0	0	0	0
16. Group conversions	0	0	0	0	0	0	0	0	0	0	0	0
17. Interest and adjustments on contract or deposit-type contract funds	0	0	0	0	0	0	0	0	0	0	0	0
18. Payments on supplementary contracts with life contingencies	0	0	0	0	0	0	0	0	0	0	0	0
19. Increase in aggregate reserves for life and accident and health contracts	0	0	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19)	545,030	0	0	0	0	0	57,271	0	487,759	0	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	38,503	0	0	0	0	0	0	0	38,503	0	0	0
22. Commissions and expense allowances on reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0
23. General insurance expenses	1,904,817	0	0	0	0	0	326,531	0	1,578,286	0	0	0
24. Insurance taxes, licenses and fees, excluding federal income taxes	24,866	0	0	0	0	0	4,485	0	20,381	0	0	0
25. Increase in loading on deferred and uncollected premiums	0	0	0	0	0	0	0	0	0	0	0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
27. Aggregate write-ins for deductions	(150,000)	0	0	0	0	0	(27,058)	0	(122,942)	0	0	0
28. Totals (Lines 20 to 27)	2,363,216	0	0	0	0	0	361,229	0	2,001,987	0	0	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(55,797)	0	0	0	0	0	12,506	0	(68,303)	0	0	0
30. Dividends to policyholders	0	0	0	0	0	0	0	0	0	0	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(55,797)	0	0	0	0	0	12,506	0	(68,303)	0	0	0
32. Federal income taxes incurred (excluding tax on capital gains)	(43,000)	0	0	0	0	0	(7,757)	0	(35,243)	0	0	0
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(12,797)	0	0	0	0	0	20,263	0	(33,060)	0	0	0
<b>DETAILS OF WRITE-INS</b>												
08.301. Miscellaneous	1,185,810	0	0	0	0	0	213,902	0	971,908	0	0	0
08.302. Fee Income	18,955	0	0	0	0	0	3,419	0	15,536	0	0	0
08.303. I/C Mgmt Fee	170,532	0	0	0	0	0	30,762	0	139,770	0	0	0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	1,375,297	0	0	0	0	0	248,083	0	1,127,214	0	0	0
2701. IMR Amortization Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
2702. ACA Risk Adjustment Expense	(150,000)	0	0	0	0	0	(27,058)	0	(122,942)	0	0	0
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	(150,000)	0	0	0	0	0	(27,058)	0	(122,942)	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 \_\_\_\_\_, Line 10 \_\_\_\_\_, Line 16 \_\_\_\_\_, Line 23 \_\_\_\_\_, Line 24 \_\_\_\_\_

## ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Medical Benefits Mutual Life Insurance Co.

**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year .....								
2. Tabular net premiums or considerations .....								
3. Present value of disability claims incurred .....						XXX		
4. Tabular interest .....								
5. Tabular less actual reserve released .....								
6. Increase in reserve on account of change in valuation basis .....								
6.1 Change in excess of VM-20 deterministic/stochastic reserve over net premium reserve .....			XXX			XXX	XXX	XXX
7. Other increases (net) .....								
8. Totals (Lines 1 to 7) .....								
9. Tabular cost .....						XXX		
10. Reserves released by death .....					XXX	XXX		XXX
11. Reserves released by other terminations (net) .....								
12. Annuity, supplementary contract and disability payments involving life contingencies .....								
13. Net transfers to or (from) Separate Accounts .....								
14. Total Deductions (Lines 9 to 13) .....								
15. Reserve December 31, current year								

**NONE**

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) .....19,092	22,794
1.1 Bonds exempt from U.S. tax .....	(a) .....0	0
1.2 Other bonds (unaffiliated) .....	(a) .....72,558	60,280
1.3 Bonds of affiliates .....	(a) .....0	0
2.1 Preferred stocks (unaffiliated) .....	(b) .....0	0
2.11 Preferred stocks of affiliates .....	(b) .....0	0
2.2 Common stocks (unaffiliated) .....	.....112,526	.....112,526
2.21 Common stocks of affiliates .....	.....0	0
3. Mortgage loans .....	(c) .....0	0
4. Real estate .....	(d) .....0	30,000
5. Contract loans .....	.....0	0
6. Cash, cash equivalents and short-term investments .....	(e) .....0	3,965
7. Derivative instruments .....	(f) .....0	0
8. Other invested assets .....	.....0	0
9. Aggregate write-ins for investment income .....	.....(178,788)	.....(178,788)
10. Total gross investment income .....	.....25,388	.....50,777
11. Investment expenses .....	(g) .....0	210,638
12. Investment taxes, licenses and fees, excluding federal income taxes .....	(g) .....0	43,778
13. Interest expense .....	(h) .....0	12,211
14. Depreciation on real estate and other invested assets .....	(i) .....0	0
15. Aggregate write-ins for deductions from investment income .....	.....0	0
16. Total deductions (Lines 11 through 15) .....	.....266,627	.....0
17. Net investment income (Line 10 minus Line 16) .....	.....(215,850)	.....0
<b>DETAILS OF WRITE-INS</b>		
0901. Bond Amortization .....	.....(20,831)	.....(20,831)
0902. Intercompany Agreement Income for Investment Related Expenses .....	.....(157,957)	.....(157,957)
0903. .....	.....0	0
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	.....(178,788)	.....(178,788)
1501. .....	.....0	0
1502. .....	.....0	0
1503. .....	.....0	0
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....0	0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	.....0	0

(a) Includes \$ .....1,384 accrual of discount less \$ .....22,215 amortization of premium and less \$ .....5,564 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 .....	531	0	531	0	0
1.1 Bonds exempt from U.S. tax .....	0	0	0	0	0
1.2 Other bonds (unaffiliated) .....	11	0	11	0	0
1.3 Bonds of affiliates .....	0	0	0	0	0
2.1 Preferred stocks (unaffiliated) .....	0	0	0	0	0
2.11 Preferred stocks of affiliates .....	0	0	0	0	0
2.2 Common stocks (unaffiliated) .....	78,507	0	78,507	75,067	0
2.21 Common stocks of affiliates .....	0	0	0	10,645	0
3. Mortgage loans .....	0	0	0	0	0
4. Real estate .....	0	0	0	0	0
5. Contract loans .....	0	0	0	0	0
6. Cash, cash equivalents and short-term investments .....	0	0	0	0	0
7. Derivative instruments .....	0	0	0	0	0
8. Other invested assets .....	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses) .....	(26,052)	0	(26,052)	(15,738)	0
10. Total capital gains (losses) .....	52,998	0	52,998	69,974	0
<b>DETAILS OF WRITE-INS</b>					
0901. To record capital gains tax of 34% on net capital gains (WSS) .....	(27,000)	0	(27,000)	(15,738)	0
0902. Adj to Balance Capital Gains (USBANK, Regions) .....	948	0	948	0	0
0903. To adjust P/Y tax effect on unrealized gains and losses against other .....	0	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	(26,052)	0	(26,052)	(15,738)	0

## ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Medical Benefits Mutual Life Insurance Co.

## EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health		11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	
<b>FIRST YEAR (other than single)</b>										
1. Uncollected .....	0									
2. Deferred and accrued .....	0									
3. Deferred , accrued and uncollected:										
3.1 Direct .....	0									
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net (Line 1 + Line 2) .....	0	0	0	0	0	0	0	0	0	0
4. Advance .....	0									
5. Line 3.4 - Line 4 .....	0	0	0	0	0	0	0	0	0	0
6. Collected during year:										
6.1 Direct .....	0									
6.2 Reinsurance assumed .....	0									
6.3 Reinsurance ceded .....	0									
6.4 Net .....	0	0	0	0	0	0	0	0	0	0
7. Line 5 + Line 6.4 .....	0	0	0	0	0	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance) .....	0	0	0	0	0	0	0	0	0	0
9. First year premiums and considerations:										
9.1 Direct .....	0									
9.2 Reinsurance assumed .....	0									
9.3 Reinsurance ceded .....	0									
9.4 Net (Line 7 - Line 8) .....	0	0	0	0	0	0	0	0	0	0
<b>SINGLE</b>										
10. Single premiums and considerations:										
10.1 Direct .....	0									
10.2 Reinsurance assumed .....	0									
10.3 Reinsurance ceded .....	0									
10.4 Net .....	0	0	0	0	0	0	0	0	0	0
<b>RENEWAL</b>										
11. Uncollected .....	0									
12. Deferred and accrued .....	0									
13. Deferred, accrued and uncollected:										
13.1 Direct .....	0									
13.2 Reinsurance assumed .....	0									
13.3 Reinsurance ceded .....	0									
13.4 Net (Line 11 + Line 12) .....	0	0	0	0	0	0	0	0	0	0
14. Advance .....	38,525									
15. Line 13.4 - Line 14 .....	(38,525)	0	0	0	0	(1,680)	0	(36,845)	0	0
16. Collected during year:										
16.1 Direct .....	1,132,908						207,090	925,818		
16.2 Reinsurance assumed .....	0						42,416	(42,803)		
16.3 Reinsurance ceded .....	(387)						164,674	968,621	0	0
16.4 Net .....	1,133,295	0	0	0	0	(1,680)	162,994	931,776	0	0
17. Line 15 + Line 16.4 .....	1,094,770	0	0	0	0	(1,662)	0	(51,902)	0	0
18. Prior year (uncollected + deferred and accrued - advance) .....	(53,564)	0	0	0	0					
19. Renewal premiums and considerations:										
19.1 Direct .....	1,147,947						207,072	940,875		
19.2 Reinsurance assumed .....	0						42,416	(42,803)		
19.3 Reinsurance ceded .....	(387)						164,656	983,678	0	0
19.4 Net (Line 17 - Line 18) .....	1,148,334	0	0	0	0		0	0	0	0
<b>TOTAL</b>										
20. Total premiums and annuity considerations:										
20.1 Direct .....	1,147,947	0	0	0	0	207,072	0	940,875	0	0
20.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
20.3 Reinsurance ceded .....	(387)	0	0	0	0	42,416	0	(42,803)	0	0
20.4 Net (Lines 9.4 + 10.4 + 19.4) .....	1,148,334	0	0	0	0	164,656	0	983,678	0	0

**EXHIBIT - 1 PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS  
AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums .....	0										
22. All other .....	0										
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded .....	0										
23.2 Reinsurance assumed .....	0										
23.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded .....	0										
24.2 Reinsurance assumed .....	0										
24.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded .....	0										
25.2 Reinsurance assumed .....	0										
25.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6) .....	0	0	0	0	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22) .....	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single) .....	0										
28. Single .....	0										
29. Renewal .....	38,503								38,503		
30. Deposit-type contract funds .....	0										
31. Totals (to agree with Page 6, Line 21)	38,503	0	0	0	0	0	0	38,503	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Medical Benefits Mutual Life Insurance Co.

**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance				5	6		
	1 Life	Accident and Health		4 All Other Lines of Business				
		2 Cost Containment	3 All Other					
1. Rent .....	6,978		31,704			38,682		
2. Salaries and wages .....						0		
3.11 Contributions for benefit plans for employees .....						0		
3.12 Contributions for benefit plans for agents .....	0		0			0		
3.21 Payments to employees under non-funded benefit plans .....	(7,266)		(33,012)			(40,278)		
3.22 Payments to agents under non-funded benefit plans .....						0		
3.31 Other employee welfare .....						0		
3.32 Other agent welfare .....						0		
4.1 Legal fees and expenses .....	3,934		17,873			21,807		
4.2 Medical examination fees .....						0		
4.3 Inspection report fees .....						0		
4.4 Fees of public accountants and consulting actuaries .....	31,907		144,976			176,883		
4.5 Expense of investigation and settlement of policy claims .....						0		
5.1 Traveling expenses .....	3,864		17,557			21,421		
5.2 Advertising .....	7,600		34,532			42,132		
5.3 Postage, express, telegraph and telephone .....	42,619		193,648			236,267		
5.4 Printing and stationery .....	16,275		73,949			90,224		
5.5 Cost or depreciation of furniture and equipment .....	1,023		4,649			5,672		
5.6 Rental of equipment .....	447		2,031			2,478		
5.7 Cost or depreciation of EDP equipment and software .....	8,772		39,856			48,628		
6.1 Books and periodicals .....	1,949		8,858			10,807		
6.2 Bureau and association fees .....	1,700		7,725			9,425		
6.3 Insurance, except on real estate .....	36,178		164,381			200,559		
6.4 Miscellaneous losses .....						0		
6.5 Collection and bank service charges .....	3,256		14,792			18,048		
6.6 Sundry general expenses .....	21,881		99,422			121,303		
6.7 Group service and administration fees .....		94,626				94,626		
6.8 Reimbursements by uninsured plans .....						0		
7.1 Agency expense allowance .....						0		
7.2 Agents' balances charged off (less \$ recovered) .....						0		
7.3 Agency conferences other than local meetings .....						0		
9.1 Real estate expenses .....						0		
9.2 Investment expenses not included elsewhere .....					210,638	210,638		
9.3 Aggregate write-ins for expenses .....	145,414	0	660,719	0	0	806,133		
10. General expenses incurred .....	326,531	94,626	1,483,660	0	210,638	(a) 2,115,455		
11. General expenses unpaid December 31, prior year .....	295,173		2,640,807			2,935,980		
12. General expenses unpaid December 31, current year .....	459,960		2,089,923			2,549,883		
13. Amounts receivable relating to uninsured plans, prior year .....						0		
14. Amounts receivable relating to uninsured plans, current year .....						0		
15. General expenses paid during year (Lines 10+11-12-13+14) .....	161,744	94,626	2,034,544	0	210,638	2,501,552		
<b>DETAILS OF WRITE-INS</b>								
09.301. Other Professional Services Equipment & Repair .....	145,414		660,719			806,133		
09.302. .....								
09.303. .....								
09.398. Summary of remaining write-ins for Line 9.3 from overflow page .....	0	0	0	0	0	0		
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above) .....	145,414	0	660,719	0	0	806,133		

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

**EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)**

	Insurance			4	5
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes .....				43,778	.43,778
2. State insurance department licenses and fees .....	3,670	16,676			20,346
3. State taxes on premiums .....	742	3,369			4,111
4. Other state taxes, including \$ for employee benefits .....	0	0			0
5. U.S. Social Security taxes .....	0	0			0
6. All other taxes .....	74	335			409
7. Taxes, licenses and fees incurred .....	4,486	20,380	0	43,778	.68,644
8. Taxes, licenses and fees unpaid December 31, prior year .....	50	452		43,778	.44,280
9. Taxes, licenses and fees unpaid December 31, current year .....	19	84			45,824
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9) .....	4,517	20,748	0	41,732	66,997

**EXHIBIT 4 - DIVIDENDS OR REFUNDS**

	1 Life	2 Accident and Health
1. Applied to pay renewal premiums .....		
2. Applied to shorten the endowment or premium-paying period .....		
3. Applied to provide paid-up additions .....		
4. Applied to provide paid-up annuities .....		
5. Total Lines 1 through 4 .....		
6. Paid in cash .....		
7. Left on deposit .....		
8. Aggregate write-ins for dividend or refund options .....		
9. Total Lines 5 through 8 .....		
10. Amount due and unpaid .....		
11. Provision for dividends or refunds payable in the following calendar year .....		
12. Terminal dividends .....		
13. Provision for deferred dividend contracts .....		
14. Amount provisionally held for deferred dividend contracts (not included in Lines 3-13) .....		
15. Total Lines 10 through 14 .....		
16. Total from prior year .....		
17. Total dividends or refunds (Lines 9 + 15 - 16) .....		
<b>DETAILS OF WRITE-INS</b>		
0801. .....		
0802. .....		
0803. .....		
0898. Summary of remaining write-ins for Line 8 from overflow page .....		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....		

**NONE**

Exhibit 5 - Aggregate Reserve for Life Contracts

**N O N E**

## EXHIBIT 5 - INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [ ] No [ X ]  
 1.2 If not, state which kind is issued.

2.1 Does the reporting entity at present issue both participating and non-participating contracts?..... Yes [ ] No [ X ]  
 2.2 If not, state which kind is issued.

3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?..... Yes [ ] No [ X ]  
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

4. Has the reporting entity any assessment or stipulated premium contracts in force?..... Yes [ ] No [ X ]  
 If so, state:  
 4.1 Amount of insurance?..... \$  
 4.2 Amount of reserve?..... \$  
 4.3 Basis of reserve:  
 4.4 Basis of regular assessments:  
 4.5 Basis of special assessments:  
 4.6 Assessments collected during the year..... \$  
 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?..... Yes [ ] No [ X ]  
 6.1 If so, state the amount of reserve on such contracts on the basis actually held:..... \$  
 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:..... \$  
 Attach statement of methods employed in their valuation.

7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?..... Yes [ ] No [ X ]  
 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements..... \$  
 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:  
 7.3 State the amount of reserves established for this business:..... \$  
 7.4 Identify where the reserves are reported in the blank:

8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year?..... Yes [ ] No [ X ]  
 8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements:..... \$  
 8.2 State the amount of reserves established for this business:..... \$  
 8.3 Identify where the reserves are reported in the blank:

9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year?..... Yes [ ] No [ X ]  
 9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders:..... \$  
 9.2 State the amount of reserves established for this business:..... \$  
 9.3 Identify where the reserves are reported in the blank:

## EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
9999999 - Total (Column 4, only)	NONE		

Exhibit 6 - Aggregate Reserves for Accident and Health Contracts

**N O N E**

Exhibit 7 - Deposit-Type Contracts

**N O N E**

## EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

## PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct	0										
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted	0										
2.11 Direct	0										
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	0	0	(b)	0	(b)	0	(b)	0	0	0	0
2.2 Other	0										
2.21 Direct	0										
2.22 Reinsurance assumed	0										
2.23 Reinsurance ceded	0										
2.24 Net	0	0	(b)	0	(b)	0	(b)	0	(b)	(b)	(b)
3. Incurred but unreported:											
3.1 Direct	124,124							58,763		65,361	
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net	124,124	0	(b)	0	(b)	0	(b)	58,763	0	(b)	65,361
4. TOTALS	124,124	(a)	0	(a)	0	0	0	58,763	0	65,361	0
4.1 Direct	124,124	0	0	0	0	0	0	58,763	0	65,361	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	124,124	(a)	0	(a)	0	0	0	(a)	58,763	0	65,361

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ \_\_\_\_\_ in Column 2, \$ \_\_\_\_\_ in Column 3 and \$ \_\_\_\_\_ in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ \_\_\_\_\_

Individual Annuities \$ \_\_\_\_\_, Credit Life (Group and Individual) \$ \_\_\_\_\_, and Group Life \$ \_\_\_\_\_, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ \_\_\_\_\_

Credit (Group and Individual) Accident and Health \$ \_\_\_\_\_, and Other Accident and Health \$ \_\_\_\_\_ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

## EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

## PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct	578,669						58,508			520,161	
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	(d) 578,669	0	0	0	0	0	58,508	0	520,161	0	0
2. Liability December 31, current year from Part 1:											
2.1 Direct	124,124	0	0	0	0	0	58,763	0	65,361	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
2.4 Net	124,124	0	0	0	0	0	58,763	0	65,361	0	0
3. Amounts recoverable from reinsurers December 31, current year	0										
4. Liability December 31, prior year:											
4.1 Direct	157,763	0	0	0	0	0	60,000	0	97,763	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	157,763	0	0	0	0	0	60,000	0	97,763	0	0
5. Amounts recoverable from reinsurers December 31, prior year	0										
6. Incurred Benefits											
6.1 Direct	545,030	0	0	0	0	0	57,271	0	487,759	0	0
6.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
6.4 Net	545,030	0	0	0	0	0	57,271	0	487,759	0	0

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.

\$..... in Line 6.1, and \$ ..... in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.

\$..... in Line 6.1, and \$ ..... in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.

\$..... in Line 6.1, and \$ ..... in Line 6.4.

(d) Includes \$ ..... premiums waived under total and permanent disability benefits.

## EXHIBIT OF NON-ADMITTED 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		0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0		0
2.2 Common stocks .....	2,176	2,355	179
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens .....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0		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		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) .....	2,176	2,355	179
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....	0		0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	0		0
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 .....	22,218	19,723	(2,495)
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	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0		0
18.2 Net deferred tax asset .....	583,000	1,047,000	464,000
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....	99,024	117,828	18,804
21. Furniture and equipment, including health care delivery assets .....	7,778	13,449	5,671
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivables from parent, subsidiaries and affiliates .....	0		0
24. Health care and other amounts receivable .....	0		0
25. Aggregate write-ins for other than invested assets .....	322,725	441,613	118,888
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,036,921	1,641,968	605,047
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	1,036,921	1,641,968	605,047
<b>DETAILS OF WRITE-INS</b>			
1101. .....			
1102. .....			
1103. .....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Prepaid Expenses .....	320,958	313,417	(7,541)
2502. IMR .....	1,767	0	(1,767)
2503. Change in NAA d/t change in Corporate Tax Rate Adj .....		147,000	147,000
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	(18,804)	(18,804)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	322,725	441,613	118,888

## **NOTES TO FINANCIAL STATEMENTS**

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Medical Benefits Mutual Life Insurance Co. is owned by its policyholders and provides life, dental, vision, and other insurance products for its policyholders and customers throughout Ohio, Indiana, Kentucky, Michigan, Pennsylvania, West Virginia, and several other states.

Medical Benefits Mutual Life Insurance Co., the parent organization, provides life, dental, vision, and other insurance products to its policyholders. Medical Benefits Administrators, Inc. (MBA), a wholly owned subsidiary of the Company, is a third party administrator for health and health related employee benefit plans. VisionPlus of America, Inc. (VPA), a wholly owned subsidiary of the Company, is a third party administrator for vision benefit claims. MedBen Marketing Services, Inc. (MMS), a wholly owned subsidiary of the Company, is an insurance agency that markets various life, medical, and other insurance products. MedBen Analytics, LLC, a majority owned subsidiary of Medical Benefits Administrators, Inc., is an administrator of bundled payments for existing health systems participating in the Centers for Medicare and Medicaid Services Bundled Payments for Care Improvement Initiative.

A summary of the major accounting policies followed by the Company in the preparation of the statutory financial statement is set forth below:

#### A. Accounting Practices

The financial statements of Medical Benefits Mutual Life Insurance Co. are presented on the basis Statutory Accounting Principles method as prescribed by the National Association of Insurance Commissioners (NAIC) and completed in accordance with the Accounting Practices and Procedures Manual.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Ohio Insurance Law. The NAIC Accounting Practices and Procedures Manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Ohio. The State has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. However, the Company has elected not to adopt any of these permitted practices.

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

	Description	SSAP #	F/S Page	F/S Line #	2017	2016
<b>Net Income - Ohio Basis</b>					\$ 40,532	\$ (626,945)
State Prescribed Practices	None	None	None	None	\$ -	\$ -
State Permitted Practices	None	None	None	None	\$ -	\$ -
<b>Net Income - NAIC SAP</b>					\$ 40,532	\$ (626,945)
<b>Statutory Surplus - Ohio Basis</b>					\$ 10,579,427	\$ 10,698,509
State Prescribed Practices	None	None	None	None	\$ -	\$ -
State Permitted Practices	None	None	None	None	\$ -	\$ -
<b>Statutory Surplus - NAIC SAP</b>					\$ 10,579,427	\$ 10,698,509

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions could change in the near future as more information becomes known and could have a material impact on the amounts reported.

#### C. Accounting Policy

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Life premiums are recognized as income over the premium paying period of the related policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the period and judgment as to the appropriate level of statutory surplus to be retained by the Company. There were no policyholder dividends for 2017 or 2016.

Real estate investments are classified in the balance sheet as properties occupied by the company, properties held for the production of income, and properties held for sale. Properties occupied by the company are carried at depreciated cost less encumbrances. The Company currently does not hold any properties for the production of income or for sale. Fair values of the properties occupied by the company will be measured only if circumstances indicate that the financial condition of the Company is in question.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the interest method.
3. Common stocks are stated at market value. Common stock of three wholly owned non-insurance subsidiaries are valued under Statutory Accounting Principles, with adjustments for statutory valuation rules as prescribed by these principles.
4. Preferred stocks are stated at cost.
5. The Company does not have any mortgage loans on real estate to report in 2017 or 2016.
6. Mortgage-backed securities are stated at amortized cost.
7. The Company reports its three wholly owned subsidiaries, MBA, VPA, and MMS at statutory surplus. One of these companies, VPA, a non-insurance company, is reported at audited GAAP (Generally Accepted Accounting Principles) equity and is adjusted, where applicable, in accordance with statutory invested asset valuation rules. The two other companies, MMS and MBA, are reported at GAAP equity, with no adjustments for statutory investment valuation rules.
8. The Company has no interest in joint ventures.
9. The Company does not have any derivatives in 2017 or 2016.
10. The Company does not calculate for premium deficiency reserves.
11. Liabilities for losses and loss claim adjustment expenses for life, accident and health contracts are estimated by the Company's valuation actuary using statistical claim development models to develop best estimates for liabilities for medical expense businesses and using tabular reserves employing mortality/morbidity tables and discount rates specified by regulatory authorities for life and disability income business.
12. The Company has not modified its capitalization policy from the prior period.
13. Pharmaceutical Rebates Receivable – Not applicable.

D. Going Concern - None

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

Not applicable

### **NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL**

Not applicable

### **NOTE 4 – DISCONTINUED OPERATIONS**

Not applicable

### **NOTE 5 – INVESTMENTS**

#### **A. Mortgage Loans**

The Company does not have any mortgage loans.

#### **B. Debt Restructuring**

The Company has no invested assets that are restructured debt.

#### **C. Reverse Mortgages**

The Company has no investment in reverse mortgages.

#### **D. Loan Backed Securities**

1. Prepayment assumptions for single class and multi-class mortgages-backed/asset-backed securities were obtained from broker dealer statement values.
2. Recognized OTTI, intent to sell or inability to hold.

None

3. Recognized OTTI securities, present value of cash flows less than amortized cost.

None

4. Impaired securities for which an OTTI has not been recognized.

None

5. Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Based on the Company's evaluation and the intent and ability to hold these investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the Company does not consider these investments to be other-than-temporarily impaired at December 31, 2017 and December 31, 2016.

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

1. Repurchase agreements are included in cash and short-term investments. The open period-end balances are \$400,264 and \$590,466 as of December 31, 2017 and December 31, 2016, respectively.

**NOTES TO FINANCIAL STATEMENTS****NOTE 5 – INVESTMENTS (continued)**

2. The Company's repurchase agreements are fully collateralized by their underlying securities.
3. There was no collateral received at quarter end.
4. The Company has no securities lending agreements at period end; therefore, it has not reported any assets on Page 2, Line 10 – Securities Lending Reinvested Collateral Assets.
5. The underlying securities of the repurchase agreements are \$400,264 and \$590,466 as of December 31, 2017 and December 31, 2016, respectively. The Company does not have any Securities Lending Agreements.

**F. Real Estate**

1. No impairment losses were recorded on real estate investments during the period presented.
2. No real estate was held for sale or sold in the years 2017 and 2016.
3. There were no changes during the period in the Company's plans to sell investment real estate.
4. The Company does not engage in retail land sales operations.
5. The Company holds no real estate investments with participating loan features.

**G. Low-Income Housing**

The Company has no investment in Low-Income Housing.

**H. Repurchase Agreement**

The Company has no repurchase agreements.

**I. Working Capital Finance Investments**

The Company has no investment in Working Capital Finance Investments.

**J. Offsetting and Netting of Assets and Liabilities**

The Company has no offsetting and netting of assets and liabilities.

**K. Structured Notes - The Company has no investment in structured notes.****L. Restricted Assets**

		General Account	Total Separate Account	Total	Total Prior Year	Inc/(Dec)	Total Current Year Admitted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a	Subject to contractual obligation			-	-	-	-	0.00%	0.00%
b	Collateral held under security lending			-	-	-	-	0.00%	0.00%
c	Subject to repurchase agreements			-	-	-	-	0.00%	0.00%
d	Subject to reverse repurchase agreements			-	-	-	-	0.00%	0.00%
e	Subject to dollar repurchase agreements			-	-	-	-	0.00%	0.00%
f	Subject to dollar reverse repurchase agreements			-	-	-	-	0.00%	0.00%
g	Placed under option contracts			-	-	-	-	0.00%	0.00%
h	Securities restricted as to sale - excluding FHLB			-	-	-	-	0.00%	0.00%
i	FHLB capital stock			-	-	-	-	0.00%	0.00%
j	On deposit with states	12,118,381	2,620,653	14,739,034	15,359,907	(620,873)	2,620,653	100.00%	17.78%
k	On deposit with other regulatory bodies			-	-	-	-	0.00%	0.00%
l	Pledged collateral to FHLB			-	-	-	-	0.00%	0.00%
m	Pledged as collateral not captured in other			-	-	-	-	0.00%	0.00%
n	Other restricted assets			-	-	-	-	0.00%	0.00%
Total Restricted Assets		12,118,381	2,620,653	14,739,034	15,359,907	(620,873)	2,620,653		

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

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

### **NOTE 7 - INVESTMENT INCOME**

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

Investment income is recognized on an as earned basis. Amounts earned but not yet received are recorded as a receivable on the balance sheet. Investment income earned and uncollected that is more than 90 days old is classified as non-admitted. As of December 31, 2017 and December 31, 2016, investment income earned and not yet collected was \$0 and \$0, respectively. There were no amounts older than 90 days for both periods.

B. The total amount excluded was \$0.

### **NOTE 8 – DERIVATIVE INSTRUMENTS**

Not applicable

### **NOTE 9 – INCOME TAXES**

A. The components of the net deferred tax asset/ (liability) at December 31, 2017 are as follows:

**NOTES TO FINANCIAL STATEMENTS**

1.

09A01	12/31/2017			12/31/2016			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	1 Ordinary	2 Capital	3 (Col 1+2) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross Deferred Tax Assets	1,685,000	-	1,685,000	1,637,000	-	1,637,000	48,000	-	48,000
b. Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a-1b)	1,685,000	-	1,685,000	1,637,000	-	1,637,000	48,000	-	48,000
d. Deferred Tax Assets Nonadmitted	583,000	-	583,000	1,047,000	-	1,047,000	(464,000)	-	(464,000)
e. Subtotal net Admitted Deferred Tax Assets (1c-1d)	1,102,000	-	1,102,000	590,000	-	590,000	512,000	-	512,000
f. Deferred Tax Liabilities	728,000	-	728,000	-	-	-	728,000	-	728,000
g. Net Admitted Deferred Tax Assets/(Net Deferred Liability) (1e-1f)	374,000	-	374,000	590,000	-	590,000	(216,000)	-	(216,000)

2.

09A02	12/31/2017			12/31/2016			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	1 Ordinary	2 Capital	3 (Col 1+2) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	-	-	-	-	-	-	-	-	-
b. Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b) 1 and 2(b) 2 Below)	374,000	-	374,000	590,000	-	590,000	(216,000)	-	(216,000)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	374,000	-	374,000	590,000	-	590,000	(216,000)	-	(216,000)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	728,000	-	728,000	-	-	-	728,000	-	728,000
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a+2b+2c)	1,102,000	-	1,102,000	590,000	-	590,000	512,000	-	512,000

3.

	2017	2016
a. Ratio Percentage used to determine Recovery Period and Threshold Limitation Amount	2269%	1142%
b. Amount of Adjusted Capital and Surplus used to determine Recovery period and Threshold Limitation in 2(b) 2 above	11,601,853	11,713,242

4.

	12/31/2017			12/31/2016			Change		
	1 Ordinary percent	2 Capital Percent	3 (Col 1+2) Total Percent	1 Ordinary percent	2 Capital Percent	3 (Col 1+2) Total Percent	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
<b>Impact of Tax Planning Strategies</b>									
a. Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
b. Net Admitted Adjusted Gross DTAs (% of Total net Admitted Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%

c. Does the Company's tax planning strategies include the use of reinsurance? Yes \_\_\_\_\_ No \_\_\_\_\_ X \_\_\_\_\_

**NOTE 9 – INCOME TAXES (continued)****B. Regarding deferred tax liabilities that are not recognized - NONE****C. Current and deferred income taxes consist of the following major components:**

**NOTES TO FINANCIAL STATEMENTS****Note 9C - 1**

CURRENT INCOME TAX	1 12/31/2017	2 12/31/2016	3 (Col 1-2) Change
a. Federal	(16,000)	(233,279)	217,279
b. Foreign		-	-
c. Subtotal	(16,000)	(233,279)	217,279
d. Federal income tax on net capital gains	(27,000)	18,957	(45,957)
e. Utilization of capital loss carry-forwards		-	-
f. Other		-	-
g. Federal and foreign income taxes incurred	(43,000)	(214,322)	171,322

**Note 9C - 2**

DEFERRED TAX ASSETS	1 12/31/2017	1 12/31/2016	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	1,000	3,000	(2,000)
2. Unearned premium reserve	2,000	13,000	(11,000)
3. Policyholder reserves			-
4. Investments	190,000	317,000	(127,000)
5. Deferred acquisition costs	2,000	4,000	(2,000)
6. Policyholder dividends accrual			-
7. Fixed assets			-
8. Compensation and benefits accrual	502,000	844,000	(342,000)
9. Pension accrual			-
10. Receivables - non admitted	5,000	7,000	(2,000)
11. Net operating loss carry-forward	874,000	1,320,000	(446,000)
12. Tax credit carry-forward			-
13. Other (including items <5% of total ordinary tax assets)	109,000	223,000	(114,000)
14. Other assets - nonadmitted			-
99. Subtotal	1,685,000	2,731,000	(1,046,000)
b. Statutory valuation allowance adjustment			-
c. Nonadmitted	583,000	1,194,000	(611,000)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	1,102,000	1,537,000	(435,000)
e. Capital:			
1. Investments	-	-	-
2. Net capital loss carry-forward	-	-	-
3. Real estate	-	-	-
4. Other (including items <5% of total capital tax assets)	-	-	-
99. Subtotal	-	-	-
f. Statutory valuation allowance adjustment	-	-	-
g. Non admitted	-	-	-
h. Admitted capital deferred tax assets (2e99-2f-2g)	-	-	-
i. Admitted deferred tax assets (2d+2h)	1,102,000	1,537,000	(435,000)

NOTE 9 – INCOME TAXES (continued)

**NOTES TO FINANCIAL STATEMENTS****Note 9C - 3**

DEFERRED TAX LIABILITIES	1 12/31/2017	2 12/31/2016	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	680,000	859,000	(179,000)
2. Fixed assets	46,000	85,000	(39,000)
3. Deferred and uncollected premium			-
4. Policyholder reserves			-
5. Other (including items <5% of total ordinary tax assets)	2,000	3,000	(1,000)
99. Subtotal	728,000	947,000	(219,000)
b. Capital			
1. Investments	-	-	-
2. Real estate	-	-	-
3. Other (including items <5% of total capital tax assets)	-	-	-
99. Subtotal	-	-	-
c. Deferred tax liabilities (3a99+3b99)	728,000	947,000	(219,000)

**Note 9C - 4**

Net Deferred Tax Assets/Liabilities (2i-3c)

374,000	590,000	(216,000)
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## D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments were the following:

	12/31/2017	
	Amounts	Effective Tax Rate (%)
Provisions computed at statutory rate	8,447	34.0
Tax exempt interest deduction	(7,734)	(1.0)
Dividends received deduction	(21,665)	(2.0)
Disallowable travel and entertainment	2,331	2.0
Other tax differences	21,483	9.0
Realized capital gains (losses) tax	(27,000)	(2.0)
Officer Life Insurance-net	(18,862)	(1.0)
Change in net deferred income taxes	-	-
Total statutory income taxes	(43,000)	39.0
	2017	2016
Standard Federal income tax rate	34.0%	34.0%
Various Differences	5.0%	1.6%
	39.0%	35.6%

## **NOTES TO FINANCIAL STATEMENTS**

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### NOTE 9 – INCOME TAXES (continued)

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

1. Net operating loss carryovers that are available for offsetting future net taxable income, amount to:

<b>Year</b>	<b>Amount</b>
2017	279,000
2016	297,000
2015	-
2014	-
2013	3,586,000

2. The Company does not have any tax credit carryforwards available for use.
3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

#### F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

Medical Benefits Administrators, Inc.  
 VisionPlus of America, Inc.  
 MedBen Marketing Services, Inc.

1. A written tax sharing consolidation agreement is approved by management. Allocation is based upon separate return calculations and the consolidated tax return calculation.

#### G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company has no 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 AND AFFILIATES

- A. B. and C. The Company is the parent corporation of three wholly owned non-insurance subsidiaries which shares the same management. MBA and VPA are third party administrators (TPA's) that administer claims in the medical and vision fields. MMS is an insurance agency that markets various life, medical, and other insurance products. No dividend income was reported in 2017 or 2016. MedBen Analytics, LLC, a majority owned subsidiary of Medical Benefits Administrators, Inc., is an administrator of bundled payments for existing health systems participating in the Centers for Medicare and Medicaid Services Bundled Payments for Care Improvement Initiative.
- D. At December 31, 2017, the Company reported \$346,094 as accounts and notes receivable from affiliates. The Company reported \$365,187 as accounts and notes payable to affiliates.
- E. On April 1, 2015, the Company entered into a management agreement between the Parent Corporation and subsidiaries. The management agreement remains in affect.
- F. There are no material management or service contracts and cost-sharing arrangements involving the Company and any related party.
- G. The Company is privately held and has no issued or outstanding shares. MBA, VPA, and MMS issued and outstanding shares are owned by the company. The valuation of these affiliates was determined under GAAP, with adjustments for statutory valuation rules, as prescribed by Statutory Accounting Principles.

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES** (continued)

- H. Not applicable.
- I. The Company's investment in its three subsidiaries is less than 10% of its admitted assets.
- J. The Company did not recognize any impairment write-down for its investments in subsidiary companies during this statement period.
- K. The Company has no investments in foreign insurance subsidiaries.
- L. The Company has no investments in downstream noninsurance holding companies.

### **NOTE 11 – DEBT**

- A. The Company has no debentures outstanding.

The Company has a line-of-credit with a maximum amount of \$1,000,000 and an interest rate equal to prime (currently 4%). This line-of-credit is collateralized by a first mortgage on real estate owned by the Company. There was an outstanding balance of \$600,000 and \$895,646 at December 31, 2017 and December 31, 2016, respectively.

The Company has a \$1,000,000 unsecured revolving credit line with a bank that was unused at December 31, 2017 and December 31, 2016. The agreement provides for interest at a rate equal to prime (currently 4.0%).

The Company, through one of its subsidiaries (VPA), also has a line of credit with a maximum amount of \$200,000 with an interest rate equal to prime (currently 4.0%). This line is unsecured, but is guaranteed by the parent. There was no outstanding balance at December 31, 2017 and December 31, 2016.

The Company does not have any reverse repurchase agreements.

- B. The Company does not have any FHLB agreements.

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

- A. Defined Benefit Plan - NONE

- B. Defined Contribution Plans

The Company currently has deferred compensation plans for specified key employees and for Board members. Effective January 1, 2013, the Board of Directors made a determination to indefinitely suspend the grant of further units and appreciation in the equity of the Company.

The Equity Participation Plan for key employees is a discretionary plan that rewards key employees with long term service to the Company. The plan shares the appreciation of equity of the Company, through December 31, 2012, with certain employees. The employee's share of the compensation vests over a ten year period, and is payable upon normal retirement, which is usually age 65. In the event that an employee terminates employment, either voluntarily or non-voluntarily, before age 65, the employee shall not be entitled to any payments at the time of termination, and forfeits his/her right to any future benefits under the plan.

The Company has estimated the present value of this liability to be \$1,879,230 at December 31, 2017 and December 31, 2016, respectively.

The Equity Participation Plan for the Directors is similar to the one for key employees, in terms of vesting, normal retirement age, and termination of directorship. The Company has estimated the

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT PLANS (continued)**

present value of this liability to be \$142,427 at December 31, 2017 and December 31, 2016, respectively.

The liabilities for the deferred compensation plans have been included in accrued liabilities, "salaries and wages," on the consolidated balance sheets.

The Company has a profit-sharing plan with a 401(k) feature. The plan covers all employees meeting minimum eligibility requirements. Profit-sharing contributions are determined by the Board of Directors and were 0% of eligible compensation for 2016 and 4.0% for 2016. The Company may match up to 50% of the first 6% salary deferral elected by each employee. The Company's discretionary and matching contributions charged to operations for the periods ended December 31, 2017 and December 31, 2016, \$122,966 and \$160,536, respectively.

C. The Company does not participate in a multi employee plan.

D. Consolidated/Holding Company Plans

The Company has no legal obligation for benefits under these plans. Employees of subsidiary companies participate in the plans sponsored by the Company.

E. The Company has an arrangement whereby it provides deferred compensation and post-retirement health coverage to retired board members. Benefits are payable over a period not to exceed five years. The Company estimates the present value of the liability to be \$369,592 and \$333,009 at December 31, 2017 and December 31, 2016, respectively.

F. The Medicare Modernization Act has no impact on the Company's post-retirement benefits.

### **NOTE 13 – CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

1. The Company does not have any common stock issued or outstanding.
2. The Company does not have any preferred stock issued or outstanding.
3. The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.
4. No dividends were paid in 2017.
5. Within the limitations of dividends as stated above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
6. Total unassigned surplus as of December 31, 2017, is \$10,579,422. This amount is held for the benefit of participating policyholders.
7. There were no advances to surplus in 2017 or 2016.
8. There was no stock held by the company, including stock of affiliated companies, held for special purposes.
9. There was no change in the balance of special surplus funds from the prior year.

## **NOTES TO FINANCIAL STATEMENTS**

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### NOTE 13 – CAPITAL AND SURPLUS, SHAREHOLDERS’ DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS (continued)

10. The portion of unassigned funds surplus represented or (reduced) by each item below is as follows:  
Unrealized gains and losses \$69,713
11. The Company has not issued any surplus notes or debentures or similar obligations.
12. and 13. There has been no restatement of surplus due to quasi-reorganizations.

### NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS

#### A. Contingent Commitments

Not applicable

#### B. Assessments

1. The Company has estimated that it will be assessed by various state assessment funds for their share of insurance company insolvencies in states in which the Company conducts business.
2. The reserve is \$50,000 for both periods ending December 31, 2017 and December 31, 2016, respectfully.

#### C. Gain Contingencies

Not applicable

#### D. The Company is partially self-insured with regards to employee health insurance. The Company is liable for a maximum of \$100,000 per covered employee per year. The Company’s aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and their family status. For the periods ended December 31, 2017 and December 31, 2016, the Company paid \$1,433,825 and \$1,468,612, respectively under this arrangement.

#### E. Joint and Several Liabilities.

As of December 31, 2017, the Company had the following outstanding accounts receivable and accounts payable balances with its wholly-owned subsidiaries:

##### Accounts Receivable:

Medical Benefits Administrators, Inc.	\$ 306,475	100% wholly-owned Subsidiary
VisionPlus of America, Inc.	\$ 0	100% wholly-owned Subsidiary
MedBen Marketing Services, Inc.	\$ 0	100% wholly-owned Subsidiary

##### Accounts Payable:

Medical Benefits Administrators, Inc.	\$ 0	100% wholly-owned Subsidiary
VisionPlus of America, Inc.	\$ 3,969	100% wholly-owned Subsidiary
MedBen Marketing Services, Inc.	\$ 321,599	100% wholly-owned Subsidiary

#### F. The Company is involved in various lawsuits and subject to certain contingencies in the normal course of business. Management believes that the outcome of these matters will not have a material impact on the Company’s financial position.

**NOTES TO FINANCIAL STATEMENTS****NOTE 15 – LEASES****A. Lessee Leasing Arrangements**

The Company leases computer equipment and vehicles under operating lease agreements expiring by 2019. Future minimum lease rentals are as follows at December 31, 2017:

	<u>Amount</u>
2018	2,988
2019	<u>1,437</u>
	<u><u>\$ 4,425</u></u>

The Company has no sublease or sale-leaseback transactions.

There are no lease agreements that have been terminated early or for which the Company is no longer using the leased property.

Rental expense was \$12,700 and \$20,981 for the periods ended December 31, 2017 and December 31, 2016, respectively.

**B. Lessor Leases – NONE****NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

Not applicable

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

Not applicable

**NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS****A. ASO Plans**

Not applicable

**B. ASC Plans**

Not applicable

**C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – Not applicable**

No amounts related to these plans have been written-off as of December 31, 2017.

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

Not applicable

**NOTES TO FINANCIAL STATEMENTS****NOTE 20 – FAIR VALUE MEASUREMENTS**

A.

## 1. Fair Value Measurements at Reporting Date

1	2	3	4	5
Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
Industrial and Misc	-	-	-	-
Total Bonds	-	-	-	-
Common stock				
Industrial and Misc	2,802,174	-	-	2,802,174
Mutual Funds	938,368	-	-	938,368
Total Common Stocks	3,740,542			3,740,542
Total assets at fair value	3,740,542	-	-	3,740,542
b. Liabilities at fair value				
None	-	-	-	-
Total liabilities at fair value	-	-	-	-

The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs to the respective valuation technique. The following summarizes the type of assets and liabilities included within the three-level fair value hierarchy presented in the table above.

Level 1 – This category currently only includes common stock and mutual funds that can be readily sold. As of December 31, 2017, no bonds were moved into the classification of short-term, so they were not classified in this hierarchy. The Company does not have any Call or Put Options placed on their securities.

Level 2 – The Company has no Level 2 assets or liabilities.

Level 3 – The Company has no Level 3 assets or liabilities.

The asset or liability's fair value measurement level within fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

## 3. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – NONE

1	2	3	4	5	6	7	8	9	10	11
	Balance at 12/31/2016	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31/17
RMBS										
CMBS										
.....										
.....										
.....										
Total										

**NOTES TO FINANCIAL STATEMENTS****NOTE 20 – FAIR VALUE MEASUREMENTS (continued)****3. Policy on Transfers into and Out of Level 3**

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

**4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values**

The Company has no assets or liabilities measured at fair value in the Level 2 or the Level 3 category.

**5. Derivative Fair Values – NONE****B. Other Fair Value Disclosures**

Not applicable

**C. Fair Values for All Financial Instruments by Levels 1, 2, and 3**

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries). The fair values are also categorized into the three-level fair value hierarchy as described in Note 20A.

1 <b>Type of Financial Instrument</b>	2 <b>Fair Value</b>	3 <b>Admitted Value</b>	4 <b>Level 1</b>	5 <b>Level 2</b>	6 <b>Level 3</b>	7 <b>Not Practical (Carrying Value)</b>
Financial instruments - assets						
Bonds	4,959,001	4,984,770	4,984,770	-	-	-
Preferred stocks	500	500	500	-	-	-
Common stocks	6,117,012	6,114,836	6,114,836	-	-	-
Short-term investments	546,333	546,333	546,333	-	-	-
Total assets	11,622,846	11,646,440	11,646,440	-	-	-
Financial instruments - liabilities						
None	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-

**D. Reasons Not Practical to Estimate Fair Value – NONE****NOTE 21 – OTHER ITEMS****A. Extraordinary Items – Not applicable.****B. Troubled Debt Restructuring – Not applicable.****C. Other Disclosures and Unusual Items**

Assets in the amount of \$2,620,653 and \$2,612,800 on December 31, 2017 and December 31, 2016, respectively were on deposit with government authorities or trustees as required by law.

At December 31, 2017 and December 31, 2016, the Company had admitted assets of \$0 and \$1,849, respectively, in accounts receivable for uninsured plans. The Company does not have any amounts due from agents. The Company routinely assesses the collectability of these receivables. Based upon Company experience, less than 1% of the balance may become

## **NOTES TO FINANCIAL STATEMENTS**

### NOTE 21 – OTHER ITEMS (continued)

uncollectible, and the potential loss is not material to the Company's financial condition. No amounts have been written off in 2017 or 2016.

- D. The Company had no business interruption insurance recoveries.
- E. The Company has no investments in State Transferable Tax Credits.
- F. The Company has no exposure to subprime mortgage risk.
- G. The Company has no Retained Asset accounts.

### NOTE 22 – EVENTS SUBSEQUENT

Type I – Recognized Subsequent Events – As of December 31, 2017, the Company has no subsequent events.

Type II – Non-recognized Subsequent Events – As of December 31, 2017, the Company has no subsequent events.

On January 1, 2016, the Company was subject to the annual Health Insurance Providers Fee under the Affordable Care Act Provision 9010. Up to December 31, 2016, the Company wrote health insurance subject to the ACA assessment and estimates \$0 will be due August 1, 2017. The Company stopped writing health insurance October 1, 2016, and will conduct no health insurance business in 2017.

		12/31/2017	12/31/2016
A	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?		Yes
B	ACA fee assessment payable for the upcoming year	\$0	\$0
C	ACA fee assessment paid	\$0	\$0
D	Premium written subject to ACA 9010 assessment	940,875	\$2,072,232
E	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 30)	\$11,601,853	\$11,713,300
F	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 30 minus 22B above)	\$11,601,853	
G	Authorized Control Level (Five-Year Historical Line 31)	\$494,255	
H	Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action level (YES/NO)?		No

### NOTE 23 – REINSURANCE

#### A. Ceded Reinsurance Report

##### Section 1 – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, but the company or by any representative, officer, trustee, or director of the company? Yes ( ) No (X)

2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 23 – REINSURANCE (continued)

insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes ( ) No (X)

#### Section 2 – Ceded Reinsurance Report – Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes ( ) No (X)

2. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes ( ) No (X)

#### B. Uncollectible Reinsurance

The Company has not written off any uncollectible reinsurance during the period.

#### C. Commutation of Reinsurance Reflected in Income and Expenses

The Company has not commuted any ceded reinsurance during the period.

#### D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

The reinsurer used by the Company has not been downgraded or subject to revocation.

### NOTE 24 – RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

#### A. The Company does not have any retrospective premium adjustments.

#### B. Not applicable.

#### C. The amount of premium written by the Company as of December 31, 2017, subject to the medical loss ratio rebate was \$0.

#### D. The Company has no paid or payable medical loss ratio rebates.

#### E. Risk Sharing Provisions of the Affordable Care Act

1) The company wrote accident and health insurance premium subject to the ACA risk sharing provisions.

2) Impact of Risk Sharing Provisions

- Permanent ACA Risk Adjustment Program – In 2017 the company paid \$0 in ACA risk adjustment user fees for 2016. The company was decommissioned as of December 31, 2016 from the Edger Server Operations Risk Adjustment Program because MedBen no longer wrote large or small medical insurance in any state. MedBen did not owe any fees for 2016. The company has not booked a receivable or expects to receive any recovery for federal funding to offset this risk sharing program.
- Transitional ACA Reinsurance Program – As of December 31, 2017, the company booked \$0 in liabilities for contributions payable due to ACA Reinsurance. The company has not booked a receivable or expects to receive any recovery for federal funding to offset this risk sharing program.

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 24 – RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION (continued)**

- Temporary ACA Risk Corridors Program – the company has no obligations under this program as the company does not write any individual policies and thus will not be eligible for reimbursements.

### **NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events of prior years occurred as anticipated during 2016. See Schedule H – Part 3 and the Five Year Historical Data in the annual statement.

Original estimates are increased or decreased as additional information becomes known regarding individual claims. However, the change in incurred losses from December 31, 2016, to December 31, 2017, coincided with the change in the Company's block of business. No other significant trends or unanticipated events have been noted in 2017. None of the Company's accident and health contracts are subject to retrospective rating or experience refunds.

### **NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS**

Not applicable

### **NOTE 27 – STRUCTURED SETTLEMENTS**

The Company has not purchased any structured settlements to fulfill obligations of claimants.

### **NOTE 28 – HEALTH CARE RECEIVABLES**

- A. Pharmaceutical Rebate Receivables – NONE
- B. Risk Sharing Receivables - NONE

### **NOTE 29 – PARTICIPATING POLICIES**

Not applicable

### **NOTE 30 – PREMIUM DEFICIENCY RESERVES**

1. Liability carried for premium deficiency reserves \$0
2. Date of the most recent evaluation of this liability March 1, 2015
3. Was anticipated investment income utilized in the calculation? No

### **NOTE 31 – RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS**

1. The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
2. The Company had no substandard policies; therefore no methods for valuation were employed.
3. As of December 31, 2017, the Company had \$0 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio. No reserves to cover the above insurance were necessary.
4. The Company does not compute The Tabular Interest, the Tabular Less Actual Reserve Released, and the Tabular Cost.

**NOTES TO FINANCIAL STATEMENTS****NOTE 31 – RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS (continued)**

5. The Company does not compute Tabular Interest on funds not involving life contingencies.
6. The Company does not have any products that would qualify as “deposit type” contracts, therefore there are no reserve changes for life or annuity contracts under a Deposit Type Contract.

**NOTE 32 – ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS**

Not applicable

**NOTE 33 – PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED**

The Company has no deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2017.

**NOTE 34 – SEPARATE ACCOUNTS**

Not applicable

**NOTE 35 – LOSS/CLAIM ADJUSTMENT EXPENSES**

	Period Ended	
	December 31, 2017	December 31, 2016
Balance at beginning of period	\$ 10,000	\$ 30,000
Amount incurred:		
Current year	-	(20,000)
Prior years	-	-
	-	(20,000)
Less amount paid:		
Current year	-	-
Prior years	-	-
	-	-
Balance at end of period	\$ 10,000	\$ 10,000

# 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 [ ] No [ X ]  
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 [ ] No [ ] N/A [ X ]

1.3 State Regulating? .....

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

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

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2016

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. ..... 04/07/2015

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). ..... 04/07/2015

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

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

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

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

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

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

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

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

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

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

1 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?

Wilson, Shannon & Snow 10 W. Locust St Newark, OH 43055

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

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

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

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

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

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

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

United Health Actuarial Services 11611 North Meridian St. Carmel, IN 46032 .....

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

12.11 Name of real estate holding company ....

12.12 Number of parcels involved .....

12.13 Total book/adjusted carrying value ..... \$ .....

12.2 If, yes provide explanation: .....

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

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

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

13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]

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

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

- (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.

Yes [ X ] No [ ]

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). .....

## GENERAL INTERROGATORIES

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

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

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

### BOARD OF DIRECTORS

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

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

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

### FINANCIAL

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

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

20.11	To directors or other officers	\$	.....
20.12	To stockholders not officers	\$	.....
20.13	Trustees, supreme or grand (Fraternal Only)	\$	.....

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

20.21	To directors or other officers	\$	.....
20.22	To stockholders not officers	\$	.....
20.23	Trustees, supreme or grand (Fraternal Only)	\$	.....

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

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

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

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

22.2 If answer is yes:

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

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ 346,094

### INVESTMENT

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

24.02 If no, give full and complete information relating thereto

.....

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

.....

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

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

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 ]

## GENERAL INTERROGATORIES

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

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

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

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

25.21 Subject to repurchase agreements .....	\$ .....
25.22 Subject to reverse repurchase agreements .....	\$ .....
25.23 Subject to dollar repurchase agreements .....	\$ .....
25.24 Subject to reverse dollar repurchase agreements .....	\$ .....
25.25 Placed under option agreements .....	\$ .....
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock .....	\$ .....
25.27 FHLB Capital Stock .....	\$ .....
25.28 On deposit with states .....	\$ ..... 2,620,653
25.29 On deposit with other regulatory bodies .....	\$ .....
25.30 Pledged as collateral - excluding collateral pledged to an FHLB .....	\$ .....
25.31 Pledged as collateral to FHLB - including assets backing funding agreements .....	\$ .....
25.32 Other .....	\$ .....

25.3 For category (25.26) provide the following:

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

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address	3
Park National Bank .....	550 North Third St, Newark, OH 43055 .....	
Merrill Lynch .....	461 Sawmill Rd, Columbus, OH 43220 .....	

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
.....	.....	.....	.....

## GENERAL INTERROGATORIES

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
Park National Bank .....	U.....
Merril Lynch .....	U.....

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

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

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

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

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	4,984,770	4,959,000	(25,770)
30.2 Preferred stocks .....	500	500	0
30.3 Totals .....	4,985,270	4,959,500	(25,770)

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

.....

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

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

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

32.2 If no, list exceptions:

.....

## GENERAL INTERROGATORIES

33. By self-designating 5\*GI securities, the reporting entity is certifying the following elements of each self-designated 5\*GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5\*GI securities? ..... Yes [ ] No [ X ]

### OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? ..... \$ ..... 0

34.2 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
.....	.....

35.1 Amount of payments for legal expenses, if any? ..... \$ ..... 21,807

35.2 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
Katz .....	11,361
Vorys, Sater, Seymour and Peas .....	7,393

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

36.2 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 - LIFE INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force? .....	Yes [ ] No [ X ]
1.2	If yes, indicate premium earned on U.S. business only .....	\$ .....
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....	\$ .....
1.31	Reason for excluding: .....	
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ....	\$ .....
1.5	Indicate total incurred claims on all Medicare Supplement insurance. ....	\$ .....
1.6	Individual policies:	Most current three years: 1.61 Total premium earned ..... \$ ..... 0 1.62 Total incurred claims ..... \$ ..... 0 1.63 Number of covered lives ..... 0
		All years prior to most current three years 1.64 Total premium earned ..... \$ ..... 0 1.65 Total incurred claims ..... \$ ..... 0 1.66 Number of covered lives ..... 0
1.7	Group policies:	Most current three years: 1.71 Total premium earned ..... \$ ..... 0 1.72 Total incurred claims ..... \$ ..... 0 1.73 Number of covered lives ..... 0
		All years prior to most current three years 1.74 Total premium earned ..... \$ ..... 0 1.75 Total incurred claims ..... \$ ..... 0 1.76 Number of covered lives ..... 0
2.	Health Test:	1 Current Year 2 Prior Year
2.1	Premium Numerator .....	983,678 ..... 2,021,218
2.2	Premium Denominator .....	1,148,334 ..... 2,218,560
2.3	Premium Ratio (2.1/2.2) .....	0.857 ..... 0.911
2.4	Reserve Numerator .....	65,361 ..... 97,763
2.5	Reserve Denominator .....	124,124 ..... 157,763
2.6	Reserve Ratio (2.4/2.5) .....	0.527 ..... 0.620
3.1	Does this reporting entity have Separate Accounts? .....	Yes [ ] No [ X ]
3.2	If yes, has a Separate Accounts Statement been filed with this Department? .....	Yes [ ] No [ ] N/A [ X ]
3.3	What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? .....	\$ .....
3.4	State the authority under which Separate Accounts are maintained: .....	
3.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31? .....	Yes [ ] No [ X ]
3.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? .....	Yes [ ] No [ X ]
3.7	If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)"? .....	
4.1	Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? .....	Yes [ ] No [ X ]
4.2	Net reimbursement of such expenses between reporting entities:	4.21 Paid ..... \$ .....
		4.22 Received ..... \$ .....
5.1	Does the reporting entity write any guaranteed interest contracts? .....	Yes [ ] No [ X ]
5.2	If yes, what amount pertaining to these lines is included in: .....	5.21 Page 3, Line 1 ..... \$ .....
		5.22 Page 4, Line 1 ..... \$ .....
6.	FOR STOCK REPORTING ENTITIES ONLY:	
6.1	Total amount paid in by stockholders as surplus funds since organization of the reporting entity: .....	\$ .....
7.	Total dividends paid stockholders since organization of the reporting entity:	7.11 Cash ..... \$ .....
		7.12 Stock ..... \$ .....

## GENERAL INTERROGATORIES

8.1 Does the company reinsurance any Workers' Compensation Carve-Out business defined as: ..... Yes [ ] No [ X ]  
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? ..... Yes [ ] No [ ]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium .....	.....	.....	0
8.32 Paid claims .....	.....	.....	0
8.33 Claim liability and reserve (beginning of year) .....	.....	.....	0
8.34 Claim liability and reserve (end of year) .....	.....	.....	0
8.35 Incurred claims .....	0	0	0

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

	1 Attachment Point	2 Earned Premium	2 Claim Liability and Reserve
8.41 <\$25,000	.....	.....	.....
8.42 \$25,000 - 99,999	.....	.....	.....
8.43 \$100,000 - 249,999	.....	.....	.....
8.44 \$250,000 - 999,999	.....	.....	.....
8.45 \$1,000,000 or more	.....	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? ..... \$ .....

9. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

9.1 Amount of loss reserves established by these annuities during the current year: ..... \$ .....

9.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

	1	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
P&C Insurance Company And Location	.....	.....

10.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

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

10.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

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

## GENERAL INTERROGATORIES

11.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [  ] No [  ] N/A [  ]  
 11.2 If the answer to 11.1 is yes, please provide the following:

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

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

12.1 Direct Premium Written .....	\$ .....
12.2 Total Incurred Claims .....	\$ .....
12.3 Number of Covered Lives .....	

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

**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.  
\$000 omitted for amounts of life insurance

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>Life Insurance in Force</b> (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4) .....					
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) .....	0	0	0	0	0
3. Credit life (Line 21, Col. 6) .....	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4) .....	55,880	60,355	21,775	49,304	50,748
5. Industrial (Line 21, Col. 2) .....	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4) .....	0	0	0	0	0
7. Total (Line 21, Col. 10) .....	55,880	60,355	21,775	49,304	50,748
7.1 Total in force for which VM-20 deterministic/stochastic reserves are calculated .....		XXX	XXX	XXX	XXX
<b>New Business Issued</b> (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2) .....					
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) .....	0	0	0	0	0
10. Credit life (Line 2, Col. 6) .....	0	0	0	0	0
11. Group (Line 2, Col. 9) .....	35,842	45,367	1,477	16,421	(9,531)
12. Industrial (Line 2, Col. 2) .....	0	0	0	0	0
13. Total (Line 2, Col. 10) .....	35,842	45,367	1,477	16,421	(9,531)
<b>Premium Income - Lines of Business</b> (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2) .....	0	0	0	0	0
15.1 Ordinary-life insurance (Line 20.4, Col. 3) .....	0	0	0	0	0
15.2 Ordinary-individual annuities (Line 20.4, Col. 4) .....	0	0	0	0	0
16. Credit life (group and individual) (Line 20.4, Col. 5) .....	0	0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6) .....	164,656	197,341	237,506	247,752	350,524
17.2 Group annuities (Line 20.4, Col. 7) .....	0	0	0	0	0
18.1 A & H-group (Line 20.4, Col. 8) .....	983,678	2,021,219	5,258,305	7,301,382	19,370,861
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9) .....	0	0	0	0	0
18.3 A & H-other (Line 20.4, Col. 10) .....	0	0	0	0	0
19. Aggregate of all other lines of business (Line 20.4, Col. 11) .....	0	0	0	0	0
20. Total .....	1,148,334	2,218,560	5,495,811	7,549,134	19,721,384
<b>Balance Sheet (Pages 2 &amp; 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3) .....	14,739,034	15,359,907	16,467,281	19,380,645	21,373,386
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) .....	4,159,607	4,661,340	5,462,325	8,177,035	10,284,084
23. Aggregate life reserves (Page 3, Line 1) .....	0	0	0	0	0
23.1 Excess VM-20 deterministic/stochastic reserve over NPR related to Line 7.1 .....		XXX	XXX	XXX	XXX
24. Aggregate A & H reserves (Page 3, Line 2) .....	0	0	0	0	0
25. Deposit-type contract funds (Page 3, Line 3) .....		0			
26. Asset valuation reserve (Page 3, Line 24.01) .....	1,022,426	1,014,733	1,009,787	894,287	922,535
27. Capital (Page 3, Lines 29 and 30) .....	0	0	0	0	0
28. Surplus (Page 3, Line 37) .....	10,579,427	10,698,567	11,004,957	11,203,610	11,089,301
<b>Cash Flow (Page 5)</b>					
29. Net Cash from Operations (Line 11) .....	(488,506)	(1,351,360)	(1,552,223)	(1,340,595)	(4,718,823)
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital .....	11,601,853	11,713,300	12,014,744	12,097,897	12,011,836
31. Authorized control level risk - based capital .....	511,245	1,025,549	1,011,700	1,024,173	1,674,333
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>					
(Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1) .....	38.0	36.9	38.3	37.0	45.4
33. Stocks (Lines 2.1 and 2.2) .....	46.6	45.5	39.9	31.5	30.6
34. Mortgage loans on real estate(Lines 3.1 and 3.2) .....	0.0	0.0	0.0	0.0	0.0
35. Real estate (Lines 4.1, 4.2 and 4.3) .....	10.4	8.8	12.8	13.3	13.7
36. Cash, cash equivalents and short-term investments (Line 5) .....	5.0	8.8	8.9	18.2	10.3
37. Contract loans (Line 6) .....	0.0	0.0	0.0	0.0	0.0
38. Derivatives (Page 2, Line 7) .....	0.0	0.0	0.0	0.0	0.0
39. Other invested assets (Line 8) .....	0.0	0.0	0.0	0.0	0.0
40. Receivables for securities (Line 9) .....	0.0	0.0	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10) .....	0.0	0.0	0.0	0.0	0.0
42. Aggregate write-ins for invested assets (Line 11) .....	0.0	0.0	0.0	0.0	0.0
43. Cash, cash equivalents and invested assets (Line 12) .....	100.0	100.0	100.0	100.0	100.0

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1) .....					
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1) .....	500	500	500	500	500
46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1) .....	2,376,470	2,365,824	2,319,533	2,084,300	1,447,650
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
48. Affiliated mortgage loans on real estate .....					
49. All other affiliated .....					
50. Total of above Lines 44 to 49 .....	2,376,970	2,366,324	2,320,033	2,084,800	1,448,150
51. Total Investment in Parent included in Lines 44 to 49 above .....					
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2) .....	1,036,921	1,513,773	1,688,509	1,634,571	1,655,534
53. Total admitted assets (Page 2, Line 28, Col. 3) .....	14,739,034	15,359,907	16,467,281	19,380,645	21,373,386
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income) .....	(215,850)	(54,299)	(196,962)	63,346	316,373
55. Realized capital gains (losses) (Page 4, Line 34, Column 1) .....	53,329	36,799	49,184	65,873	45,070
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1) .....	69,973	207,028	108,443	(63,600)	412,181
57. Total of above Lines 54, 55 and 56 .....	(92,548)	189,528	(39,335)	65,619	773,623
<b>Benefits and Reserve Increases (Page 6)</b>					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11, 12, 13, 14 and 15 Cols. 9, 10 and 11) .....	57,271	65,000	47,500	72,508	71,872
59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11) .....	487,759	718,675	3,293,951	4,996,240	19,830,601
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3) .....	0	0	0	0	0
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11) .....	0	0	0	0	0
62. Dividends to policyholders (Line 30, Col. 1) .....	0	0	0	0	0
<b>Operating Percentages</b>					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0 .....	169.2	200.4	88.9	53.2	33.5
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0 .....	0.0	0.0	0.0	0.0	0.0
65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2) .....	54.3	42.0	69.2	80.6	105.2
66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2) .....	8.8	6.9	8.5	11.3	6.7
67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2) .....	143.8	195.8	76.5	45.7	28.0
<b>A &amp; H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2) .....	97,763	845,781	1,342,815	3,891,822	3,210,003
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2) .....	97,763	845,779	1,340,000	3,891,819	3,210,000
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2) .....	0	0	0	0	0
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2) .....	0	0	0	0	0
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
72. Industrial life (Col. 2) .....	0	0	0	0	0
73. Ordinary - life (Col. 3) .....	0	0	0	0	0
74. Ordinary - individual annuities (Col. 4) .....	0	0	0	0	0
75. Ordinary-supplementary contracts (Col. 5) .....	0	0	0	0	0
76. Credit life (Col. 6) .....	0	0	0	0	0
77. Group life (Col. 7) .....	20,263	(58,372)	(157,485)	126,087	249,427
78. Group annuities (Col. 8) .....	0	0	0	0	0
79. A & H-group (Col. 9) .....	(33,060)	(605,372)	158,336	(92,261)	(3,113,799)
80. A & H-credit (Col. 10) .....	0	0	0	0	0
81. A & H-other (Col. 11) .....	0	0	0	0	0
82. Aggregate of all other lines of business (Col. 12) .....	0	0	0	0	0
83. Total (Col. 1) .....	(12,797)	(663,744)	851	33,826	(2,864,372)

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

Yes [ ] No [ ]

If no, please explain: \_\_\_\_\_

## ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Medical Benefits Mutual Life Insurance Co.

## EXHIBIT OF LIFE INSURANCE

(\$000 Omitted for Amounts of Life Insurance)

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance	Number of		9 Certificates		
							7 Policies	8 Certificates			
1. In force end of prior year .....	0	0	0	0	0	0	74	2,675	60,355	60,355	
2. Issued during year .....		0		0		0	12	782	35,842	35,842	
3. Reinsurance assumed .....									0	0	
4. Revived during year .....									0	0	
5. Increased during year (net) .....									0	0	
6. Subtotals, Lines 2 to 5 .....	0	0	0	0	0	0	12	782	35,842	35,842	
7. Additions by dividends during year .....	XXX		XXX		XXX		XXX	XXX		0	
8. Aggregate write-ins for increases .....	0	0	0	0	0	0	0	0	0	0	
9. Totals (Lines 1 and 6 to 8) .....	0	0	0	0	0	0	86	3,457	96,197	96,197	
Deductions during year:											
10. Death .....							XXX			0	
11. Maturity .....							XXX			0	
12. Disability .....							XXX			0	
13. Expiry .....										0	
14. Surrender .....										0	
15. Lapse .....										0	
16. Conversion .....							XXX	XXX	XXX	0	
17. Decreased (net) .....							7	1,519	40,317	40,317	
18. Reinsurance .....										0	
19. Aggregate write-ins for decreases .....	0	0	0	0	0	0	0	0	0	0	
20. Totals (Lines 10 to 19) .....	0	0	0	0	0	0	7	1,519	40,317	40,317	
21. In force end of year (Line 9 minus Line 20) .....	0	0	0	0	0	0	79	1,938	55,880	55,880	
22. Reinsurance ceded end of year .....	XXX		XXX		XXX		XXX	XXX	15,186	15,186	
23. Line 21 minus Line 22 .....	XXX	0	XXX	0	XXX	(a)	0	XXX	XXX	40,694	
<b>DETAILS OF WRITE-INS</b>											
0801. ....											
0802. ....											
0803. ....											
0898. Summary of remaining write-ins for Line 8 from overflow page .....	0	0	0	0	0	0	0	0	0	0	
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....	0	0	0	0	0	0	0	0	0	0	
1901. ....											
1902. ....											
1903. ....											
1998. Summary of remaining write-ins for Line 19 from overflow page .....	0	0	0	0	0	0	0	0	0	0	
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above) .....	0	0	0	0	0	0	0	0	0	0	

(a) Group \$ ..... ; Individual \$ .....

## EXHIBIT OF LIFE INSURANCE

(\$000 Omitted for Amounts of Life Insurance) (Continued)

## ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
24. Additions by dividends .....	XXX		XXX	
25. Other paid-up insurance .....				
26. Debit ordinary insurance .....		XXX		

# NONE

## ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
27. Term policies - decreasing .....				
28. Term policies other .....				
29. Other term insurance - decreasing .....	XXX		XXX	
30. Other term insurance .....	XX		XXX	
31. Totals (Lines 27 to 30) Reconciliation to Lines 2 and 21:				
32. Term additions .....	XX		XXX	
33. Totals, extended term insurance .....	XX	XXX		
34. Totals, whole life and endowment .....				
35. Totals (Lines 31 to 34) .....				

## CLASSIFICATION OF AMOUNT OF INSURANCE BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial .....				
37. Ordinary .....				
38. Credit Life (Group and Individual) .....				
39. Group .....	35,842			55,881
40. Totals (Lines 36 to 39) .....	35,842	0	0	55,881

## ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance	3 Number of Certificates	4 Amount of Insurance
41. Amount of insurance included in Line 2 ceded to other companies .....	XX		XXX	
42. Number in force end of year if the number under credit life is counted on a pro-rata basis .....		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21 .....				
44. Servicemen's Group Life Insurance included in Line 21 .....				
45. Group Permanent Insurance included in Line 21 .....				

# NONE

## BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance containing Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Child, etc., policies and riders, including above.
47.1 .....
47.2 .....

# NONE

## POLICIES WITH DISABILITY PROVISIONS

Disability Provisions	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Policies	6 Amount of Insurance	7 Number of Certificates	8 Amount of Insurance
48. Waiver of Premium .....								
49. Disability Income .....								
50. Extended Benefits .....		XXX	XX					
51. Other .....								
52. Total .....	(a)				(a)			(a)

(a) See the Annual Audited Financial Reports section of the annual statement instructions

Exhibit of Number of Policies, Contracts, ...Supplementary Contracts  
**N O N E**

Exhibit of Number of Policies, Contracts, ...Annuities  
**N O N E**

Exhibit of Number of Policies, Contracts, ...Accident and Health Insurance  
**N O N E**

Exhibit of Number of Policies, Contracts, ...Deposit Funds  
**N O N E**

## ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Medical Benefits Mutual Life Insurance Co.

## SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	Active Status	1	Direct Business Only					
			Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
			2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama	AL	N					0	
2. Alaska	AK	N					0	
3. Arizona	AZ	N					0	
4. Arkansas	AR	L					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	L					0	
15. Indiana	IN	L	116,180	0	151,923	0	268,103	0
16. Iowa	IA	N					0	
17. Kansas	KS	L					0	
18. Kentucky	KY	L					0	
19. Louisiana	LA	N					0	
20. Maine	ME	N					0	
21. Maryland	MD	N					0	
22. Massachusetts	MA	N					0	
23. Michigan	MI	L					0	
24. Minnesota	MN	N					0	
25. Mississippi	MS	N					0	
26. Missouri	MO	L					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	L					0	
35. North Dakota	ND	N					0	
36. Ohio	OH	L	83,356	0	781,464	0	864,820	0
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	L					0	
42. South Dakota	SD	N					0	
43. Tennessee	TN	L					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	L	7,536	0	7,488	0	15,024	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
59. Subtotal		(a) 12	207,072	0	940,875	0	1,147,947	0
90. Reporting entity contributions for employee benefits plans		XXX					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities		XXX					0	
92. Dividends or refunds applied to shorten endowment or premium paying period		XXX					0	
93. Premium or annuity considerations waived under disability or other contract provisions		XXX					0	
94. Aggregate or other amounts not allocable by State		XXX	0	0	0	0	0	0
95. Totals (Direct Business)		XXX	207,072	0	940,875	0	1,147,947	0
96. Plus reinsurance assumed		XXX					0	
97. Totals (All Business)		XXX	207,072	0	940,875	0	1,147,947	0
98. Less reinsurance ceded		XXX	42,416		(42,803)		(387)	
99. Totals (All Business) less Reinsurance Ceded		XXX	164,656	0	(b) 983,678	0	1,148,334	0
DETAILS OF WRITE-INS								
58001.		XXX						
58002.		XXX						
58003.		XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	0	0	0	0	0	0
9401.		XXX						
9402.		XXX						
9403.		XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page		XXX	0	0	0	0	0	0
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)		XXX	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.

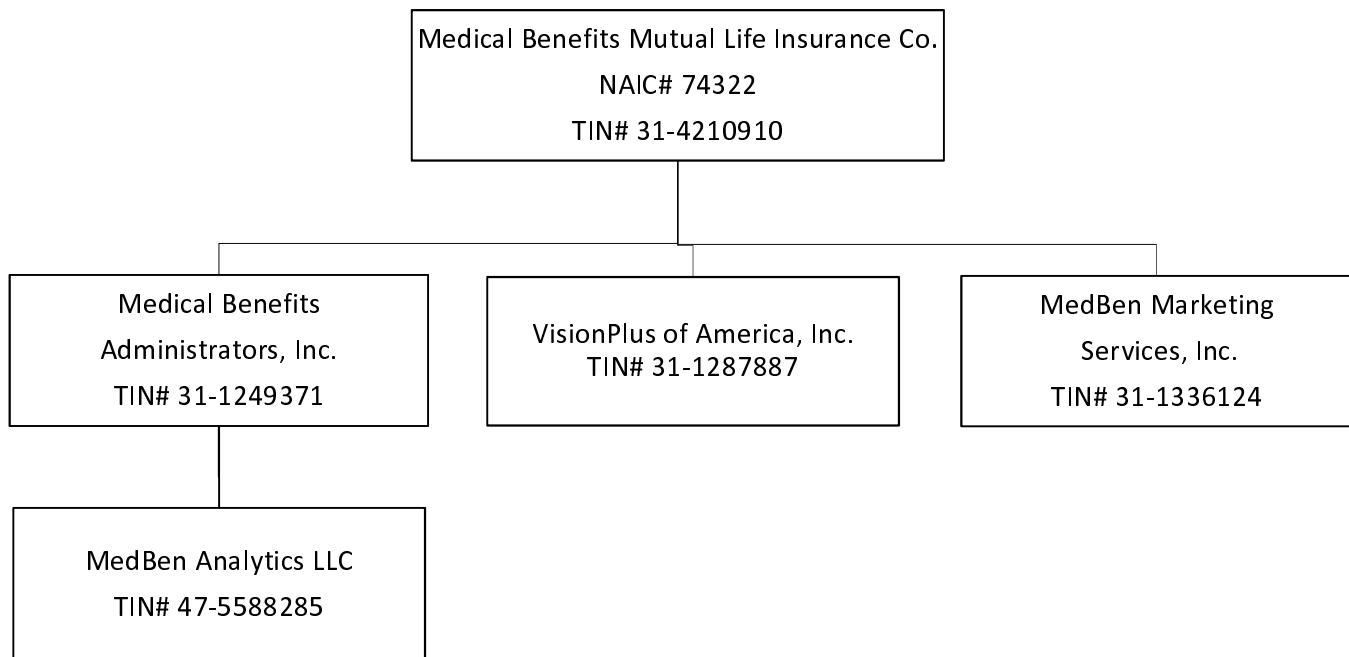
Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Direct by state

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

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10, or with Schedule H, Part 1, Line 1, indicate which: Schedule H, Part 1, Line 1.....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Medical Benefits Mutual Life Insurance Co.



Medical Benefits Administrators, Inc. TPA for single employer benefit plans; wholly-owned subsidiary of Medical Benefits Mutual Life Insurance Co.

VisionPlus of America, Inc. TPA for group vision employer benefits plans; wholly-owned subsidiary of Medical Benefits Mutual Life Insurance Co.

MedBen Marketing Services, Inc. Agency; wholly-owned subsidiary of Medical Benefits Mutual Life Insurance Co.

MedBen Analytics LLC Medicare shared savings; majority-owned subsidiary of Medical Benefits Administrators, Inc.

**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. EDP Change in NAA's for Fully depreciated EDP .....		(18,804)	(18,804)
2597. Summary of remaining write-ins for Line 25 from overflow page	0	(18,804)	(18,804)

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