

ANNUAL STATEMENT

OF THE

NEW MEXICO HEALTH CONNECTIONS

of

ALBUQUERQUE

in the state of

New Mexico

TO THE

Insurance Department

OF THE STATE OF

New Mexico

For the Year Ending
DECEMBER 31, 2017

2017



ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2017

OF THE CONDITION AND AFFAIRS OF THE

NEW MEXICO HEALTH CONNECTIONS

| | | | | | | |
|---------------------------------------|---|--|--|------------|----------------------|------------|
| NAIC Group Code | 0000 <small>(Current Period)</small> | 0000 <small>(Prior Period)</small> | NAIC Company Code | 15011 | Employer's ID Number | 45-1294709 |
| Organized under the Laws of | New Mexico | | State of Domicile or Port of Entry | NM | | |
| Country of Domicile | United States of America | | | | | |
| Licensed as business type: | Life, Accident & Health[] Dental Service Corporation[] Other[] | Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[] N/A[X] | Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X] | | | |
| Incorporated/Organized | 09/05/2011 | | Commenced Business | 09/05/2011 | | |
| Statutory Home Office | 2440 LOUISIANA BLVD NE, SUITE 601 <small>(Street and Number)</small> | | ALBUQUERQUE, NM, US 87110 <small>(City or Town, State, Country and Zip Code)</small> | | | |
| Main Administrative Office | 2440 LOUISIANA BLVD NE, SUITE 601 <small>(Street and Number)</small> | | | | | |
| | ALBUQUERQUE, NM, US 87110 <small>(City or Town, State, Country and Zip Code)</small> | | (505)633-8023 <small>(Area Code) (Telephone Number)</small> | | | |
| Mail Address | 2440 LOUISIANA BLVD NE, SUITE 601 <small>(Street and Number or P.O. Box)</small> | | ALBUQUERQUE, NM, US 87110 <small>(City or Town, State, Country and Zip Code)</small> | | | |
| Primary Location of Books and Records | 2440 LOUISIANA BLVD NE, SUITE 601 <small>(Street and Number)</small> | | | | | |
| | ALBUQUERQUE, NM, US 87110 <small>(City or Town, State, Country and Zip Code)</small> | | (505)633-8023 <small>(Area Code) (Telephone Number)</small> | | | |
| Internet Website Address | WWW.MYNMHC.ORG | | | | | |
| Statutory Statement Contact | BRIAN ACTON <small>(Name)</small> | | (505)814-6382 <small>(Area Code)(Telephone Number)(Extension)</small> | | | |
| | BRIAN.ACTON@MYNMHC.ORG <small>(E-Mail Address)</small> | | (866)231-1344 <small>(Fax Number)</small> | | | |

OFFICERS

| Name | Title |
|-------------------------|-----------------------------------|
| Martin Emmett Hickey MD | President/Chief Executive Officer |
| James R Tryon MD | Secretary # |
| Margaret Gunter Phd | Treasurer # |
| Nathan Thomas Johns | Chief Financial Officer |

OTHERS

| | |
|--|---|
| Anne Brennan Sapon, Chief Operating Officer | Mark Alan Epstein MD, Chief Medical Officer |
| Angela Marie Vigil, Chief Compliance Admin Officer | Richard Atwell Hillard, Chief Information Officer |

DIRECTORS OR TRUSTEES

| | |
|------------------------|-------------------|
| Dennis Michael Litos # | Margaret Gunter # |
| James R Tryon MD # | |

State of New Mexico
County of Bernalillo ss

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

| | | |
|---|---|------------------------------------|
| (Signature) Martin Emmett Hickey, MD | (Signature) Angela Marie Vigil | (Signature) Nathan Thomas Johns |
| (Printed Name) 1. | (Printed Name) 2. | (Printed Name) 3. |
| President (Title) | Chief Compliance Admin Officer (Title) | Chief Financial Officer (Title) |

Subscribed and sworn to before me this _____ day of _____, 2018

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

Yes[X] No[]

(Notary Public Signature)

ASSETS

| | Current Year | | | Prior Year |
|--|--------------|----------------------------|--|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1-2) | 4 Net Admitted Assets |
| 1. Bonds (Schedule D) | 10,210,379 | | 10,210,379 | 21,056,789 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common Stocks | | | | |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 Properties held for sale (less \$.....0 encumbrances) | | | | |
| 5. Cash (\$.....6,808,785, Schedule E Part 1), cash equivalents (\$.....669,424, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) | 7,478,209 | | 7,478,209 | 2,854,967 |
| 6. Contract loans (including \$.....0 premium notes) | | | | |
| 7. Derivatives (Schedule DB) | | | | |
| 8. Other invested assets (Schedule BA) | | | | |
| 9. Receivables for securities | | | | |
| 10. Securities Lending Reinvested Collateral Assets (Schedule DL) | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 17,688,588 | | 17,688,588 | 23,911,756 |
| 13. Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | 46,326 | | 46,326 | 70,857 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 1,465,424 | | 1,465,424 | 1,380,658 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....1,063,000) | 2,124,336 | 1,061,336 | 1,063,000 | 6,976,000 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 15,403,503 | | 15,403,503 | 3,820,194 |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | 4,385,982 | | 4,385,982 | |
| 17. Amounts receivable relating to uninsured plans | 19,975 | | 19,975 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 Net deferred tax asset | | | | |
| 19. Guaranty funds receivable or on deposit | | | | |
| 20. Electronic data processing equipment and software | | | | 132,723 |
| 21. Furniture and equipment, including health care delivery assets (\$.....0) | | | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | | |
| 24. Health care (\$.....910,400) and other amounts receivable | 1,612,080 | 701,680 | 910,400 | 557,765 |
| 25. Aggregate write-ins for other than invested assets | 10,267,673 | 267,673 | 10,000,000 | |
| 26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 53,013,887 | 2,030,689 | 50,983,198 | 36,849,953 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. TOTAL (Lines 26 and 27) | 53,013,887 | 2,030,689 | 50,983,198 | 36,849,953 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. Prepaid Expenses | 58,066 | 58,066 | | |
| 2502. Security Deposits | 40,808 | 40,808 | | |
| 2503. Other receivables | 168,799 | 168,799 | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 10,000,000 | | 10,000,000 | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 10,267,673 | 267,673 | 10,000,000 | |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|--|--------------|----------------|--------------|--------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$.....3,093,532 reinsurance ceded) | 20,046,214 | | 20,046,214 | 16,471,702 |
| 2. Accrued medical incentive pool and bonus amounts | 227,000 | | 227,000 | 240,355 |
| 3. Unpaid claims adjustment expenses | 537,495 | | 537,495 | 537,495 |
| 4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act | 4,361,690 | | 4,361,690 | |
| 5. Aggregate life policy reserves | | | | |
| 6. Property/casualty unearned premium reserves | | | | |
| 7. Aggregate health claim reserves | | | | |
| 8. Premiums received in advance | 1,037,084 | | 1,037,084 | 2,601,183 |
| 9. General expenses due or accrued | 2,164,383 | | 2,164,383 | 4,387,226 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) | | | | |
| 10.2 Net deferred tax liability | | | | |
| 11. Ceded reinsurance premiums payable | 13,369,250 | | 13,369,250 | 498,989 |
| 12. Amounts withheld or retained for the account of others | | | | |
| 13. Remittances and items not allocated | | | | |
| 14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) | | | | |
| 15. Amounts due to parent, subsidiaries and affiliates | | | | |
| 16. Derivatives | | | | |
| 17. Payable for securities | | | | |
| 18. Payable for securities lending | | | | |
| 19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) | | | | |
| 20. Reinsurance in unauthorized and certified (\$.....0) companies | | | | |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 22. Liability for amounts held under uninsured plans | | | | |
| 23. Aggregate write-ins for other liabilities (including \$.....0 current) | | | | |
| 24. TOTAL Liabilities (Lines 1 to 23) | 41,743,116 | | 41,743,116 | 24,736,950 |
| 25. Aggregate write-ins for special surplus funds | X X X | X X X | 1,655,928 | |
| 26. Common capital stock | X X X | X X X | | |
| 27. Preferred capital stock | X X X | X X X | | |
| 28. Gross paid in and contributed surplus | X X X | X X X | 1,000 | 1,000 |
| 29. Surplus notes | X X X | X X X | 77,317,782 | 77,317,782 |
| 30. Aggregate write-ins for other than special surplus funds | X X X | X X X | | |
| 31. Unassigned funds (surplus) | X X X | X X X | (69,734,627) | (65,205,778) |
| 32. Less treasury stock, at cost: | | | | |
| 32.10 shares common (value included in Line 26 \$.....0) | X X X | X X X | | |
| 32.20 shares preferred (value included in Line 27 \$.....0) | X X X | X X X | | |
| 33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) | X X X | X X X | 9,240,083 | 12,113,004 |
| 34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) | X X X | X X X | 50,983,199 | 36,849,954 |
| DETAILS OF WRITE-INS | | | | |
| 2301. | | | | |
| 2302. | | | | |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | | | | |
| 2501. 9010 Fee Estimate | X X X | X X X | 1,655,928 | |
| 2502. | X X X | X X X | | |
| 2503. | X X X | X X X | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | X X X | X X X | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | X X X | X X X | 1,655,928 | |
| 3001. | X X X | X X X | | |
| 3002. | X X X | X X X | | |
| 3003. | X X X | X X X | | |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | X X X | X X X | | |
| 3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) | X X X | X X X | | |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year | | Prior Year |
|---|----------------|-------------|--------------|
| | 1 Uncovered | 2 Total | 3 Total |
| 1. Member Months | X X X | 477,754 | 518,933 |
| 2. Net premium income (including \$.....0 non-health premium income) | X X X | 145,169,895 | 152,886,390 |
| 3. Change in unearned premium reserves and reserve for rate credits | X X X | 41,839 | 95,934 |
| 4. Fee-for-service (net of \$.....0 medical expenses) | X X X | | |
| 5. Risk revenue | X X X | | |
| 6. Aggregate write-ins for other health care related revenues | X X X | | |
| 7. Aggregate write-ins for other non-health revenues | X X X | 16,994,783 | (3,481) |
| 8. TOTAL Revenues (Lines 2 to 7) | X X X | 162,206,517 | 152,978,843 |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits | | 113,615,374 | 101,391,349 |
| 10. Other professional services | | 180,336 | 185,676 |
| 11. Outside referrals | | | |
| 12. Emergency room and out-of-area | | | |
| 13. Prescription drugs | | 30,189,736 | 34,037,152 |
| 14. Aggregate write-ins for other hospital and medical | | | |
| 15. Incentive pool, withhold adjustments and bonus amounts | | 369,466 | 776,515 |
| 16. Subtotal (Lines 9 to 15) | | 144,354,912 | 136,390,692 |
| Less: | | | |
| 17. Net reinsurance recoveries | | 19,135,713 | 5,433,237 |
| 18. TOTAL Hospital and Medical (Lines 16 minus 17) | | 125,219,199 | 130,957,455 |
| 19. Non-health claims (net) | | | |
| 20. Claims adjustment expenses, including \$.....6,646,434 cost containment expenses | | 12,957,089 | 8,598,084 |
| 21. General administrative expenses | | 28,704,839 | 32,149,981 |
| 22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) | | | |
| 23. TOTAL Underwriting Deductions (Lines 18 through 22) | | 166,881,127 | 171,705,520 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | X X X | (4,674,610) | (18,726,677) |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 271,976 | 596,645 |
| 26. Net realized capital gains (losses) less capital gains tax of \$.....0 | | (2,921) | 248,327 |
| 27. Net investment gains (losses) (Lines 25 plus 26) | | 269,055 | 844,972 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] | | | |
| 29. Aggregate write-ins for other income or expenses | | | |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | X X X | (4,405,555) | (17,881,705) |
| 31. Federal and foreign income taxes incurred | X X X | | |
| 32. Net income (loss) (Lines 30 minus 31) | X X X | (4,405,555) | (17,881,705) |
| DETAILS OF WRITE-INS | | | |
| 0601. | X X X | | |
| 0602. | X X X | | |
| 0603. | X X X | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | X X X | | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | X X X | | |
| 0701. Gain on sale of assets | X X X | 16,994,783 | (3,481) |
| 0702. | X X X | | |
| 0703. | X X X | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | X X X | | |
| 0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) | X X X | 16,994,783 | (3,481) |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | | |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | | |
| 2901. | | | |
| 2902. | | | |
| 2903. | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | | | |
| 2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) | | | |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | | 1 | 2 |
|--------------------------------------|--|--------------|--------------|
| | | Current Year | Prior Year |
| CAPITAL & SURPLUS ACCOUNT | | | |
| 33. | Capital and surplus prior reporting year | 12,113,004 | 31,383,537 |
| 34. | Net income or (loss) from Line 32 | (4,405,555) | (17,881,705) |
| 35. | Change in valuation basis of aggregate policy and claim reserves | | |
| 36. | Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 | | |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. | Change in net deferred income tax | | |
| 39. | Change in nonadmitted assets | 1,530,127 | (1,388,829) |
| 40. | Change in unauthorized and certified reinsurance | | |
| 41. | Change in treasury stock | | |
| 42. | Change in surplus notes | | |
| 43. | Cumulative effect of changes in accounting principles | | |
| 44. | Capital Changes: | | |
| 44.1 | Paid in | | |
| 44.2 | Transferred from surplus (Stock Dividend) | | |
| 44.3 | Transferred to surplus | | |
| 45. | Surplus adjustments: | | |
| 45.1 | Paid in | | |
| 45.2 | Transferred to capital (Stock Dividend) | | |
| 45.3 | Transferred from capital | | |
| 46. | Dividends to stockholders | | |
| 47. | Aggregate write-ins for gains or (losses) in surplus | 2,506 | |
| 48. | Net change in capital and surplus (Lines 34 to 47) | (2,872,922) | (19,270,534) |
| 49. | Capital and surplus end of reporting year (Line 33 plus 48) | 9,240,082 | 12,113,003 |
| DETAILS OF WRITE-INS | | | |
| 4701. | Prior Period Correction | 2,506 | |
| 4702. | | | |
| 4703. | | | |
| 4798. | Summary of remaining write-ins for Line 47 from overflow page | | |
| 4799. | TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) | 2,506 | |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE NEW MEXICO HEALTH CONNECTIONS
CASH FLOW

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 166,707,820 | 139,421,243 |
| 2. Net investment income | 352,759 | 749,054 |
| 3. Miscellaneous income | 12,608,801 | (3,481) |
| 4. TOTAL (Lines 1 through 3) | 179,669,380 | 140,166,816 |
| 5. Benefit and loss related payments | 132,595,769 | 130,822,097 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 43,904,746 | 39,392,573 |
| 8. Dividends paid to policyholders | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | | |
| 10. TOTAL (Lines 5 through 9) | 176,500,515 | 170,214,670 |
| 11. Net cash from operations (Line 4 minus Line 10) | 3,168,865 | (30,047,854) |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 14,130,845 | 43,589,730 |
| 12.2 Stocks | | |
| 12.3 Mortgage loans | | |
| 12.4 Real estate | | |
| 12.5 Other invested assets | | |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | (170) |
| 12.7 Miscellaneous proceeds | | |
| 12.8 TOTAL Investment proceeds (Lines 12.1 to 12.7) | 14,130,845 | 43,589,560 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 3,343,608 | 23,731,919 |
| 13.2 Stocks | | |
| 13.3 Mortgage loans | | |
| 13.4 Real estate | | |
| 13.5 Other invested assets | | |
| 13.6 Miscellaneous applications | 0 | |
| 13.7 TOTAL Investments acquired (Lines 13.1 to 13.6) | 3,343,609 | 23,731,919 |
| 14. Net increase (decrease) in contract loans and premium notes | | |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | 10,787,237 | 19,857,641 |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | | |
| 16.2 Capital and paid in surplus, less treasury stock | | |
| 16.3 Borrowed funds | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 Dividends to stockholders | | |
| 16.6 Other cash provided (applied) | (9,332,863) | (281,130) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | (9,332,863) | (281,130) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | 4,623,239 | (10,471,343) |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 2,854,970 | 13,326,313 |
| 19.2 End of year (Line 18 plus Line 19.1) | 7,478,209 | 2,854,970 |

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

| | | | |
|---------|--|--|--|
| 20.0001 | | | |
|---------|--|--|--|

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-------------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Net premium income | 145,169,895 | 145,169,895 | | | | | | | | |
| 2. Change in unearned premium reserves and reserve for rate credit | 41,839 | 41,839 | | | | | | | | |
| 3. Fee-for-service (net of \$.....0 medical expenses) | | | | | | | | | | X X X |
| 4. Risk revenue | | | | | | | | | | X X X |
| 5. Aggregate write-ins for other health care related revenues | | | | | | | | | | X X X |
| 6. Aggregate write-ins for other non-health care related revenues | 16,994,783 | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | 16,994,783 |
| 7. TOTAL Revenues (Lines 1 to 6) | 162,206,517 | 145,211,734 | | | | | | | | 16,994,783 |
| 8. Hospital/medical benefits | 113,615,374 | 113,615,374 | | | | | | | | X X X |
| 9. Other professional services | 180,336 | 180,336 | | | | | | | | X X X |
| 10. Outside referrals | | | | | | | | | | X X X |
| 11. Emergency room and out-of-area | | | | | | | | | | X X X |
| 12. Prescription drugs | 30,189,736 | 30,189,736 | | | | | | | | X X X |
| 13. Aggregate write-ins for other hospital and medical | | | | | | | | | | X X X |
| 14. Incentive pool, withhold adjustments and bonus amounts | 369,466 | 369,466 | | | | | | | | X X X |
| 15. Subtotal (Lines 8 to 14) | 144,354,912 | 144,354,912 | | | | | | | | X X X |
| 16. Net reinsurance recoveries | 19,135,713 | 19,135,713 | | | | | | | | X X X |
| 17. TOTAL Hospital and Medical (Lines 15 minus 16) | 125,219,199 | 125,219,199 | | | | | | | | X X X |
| 18. Non-health claims (net) | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 19. Claims adjustment expenses including \$.....6,646,434 cost containment expenses | 12,957,089 | 12,957,089 | | | | | | | | |
| 20. General administrative expenses | 28,704,839 | 28,704,839 | | | | | | | | |
| 21. Increase in reserves for accident and health contracts | | | | | | | | | | X X X |
| 22. Increase in reserves for life contracts | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 23. TOTAL Underwriting Deductions (Lines 17 to 22) | 166,881,127 | 166,881,127 | | | | | | | | |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23) | (4,674,610) | (21,669,393) | | | | | | | | 16,994,783 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0501. | | | | | | | | | | X X X |
| 0502. | | | | | | | | | | X X X |
| 0503. | | | | | | | | | | X X X |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | | X X X |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | | X X X |
| 0601. Gain on sale of assets | 16,994,783 | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | 16,994,783 |
| 0602. | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0603. | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | 16,994,783 | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | 16,994,783 |
| 1301. | | | | | | | | | | X X X |
| 1302. | | | | | | | | | | X X X |
| 1303. | | | | | | | | | | X X X |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | | | | | | | | | | X X X |
| 1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) | | | | | | | | | | X X X |

UNDERWRITING AND INVESTMENT EXHIBIT PART 1 - PREMIUMS

| | | 1 | 2 | 3 | 4 |
|-----|--|--------------------|------------------------|----------------------|---|
| | Line of Business | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Columns 1 + 2 - 3) |
| 1. | Comprehensive (hospital and medical) | 160,083,898 | | 14,914,003 | 145,169,895 |
| 2. | Medicare Supplement | | | | |
| 3. | Dental only | | | | |
| 4. | Vision only | | | | |
| 5. | Federal Employees Health Benefits Plan | | | | |
| 6. | Title XVIII - Medicare | | | | |
| 7. | Title XIX - Medicaid | | | | |
| 8. | Other health | | | | |
| 9. | Health subtotal (Lines 1 through 8) | 160,083,898 | | 14,914,003 | 145,169,895 |
| 10. | Life | | | | |
| 11. | Property/casualty | | | | |
| 12. | TOTALS (Lines 9 to 11) | 160,083,898 | | 14,914,003 | 145,169,895 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-------------|--|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Payments during the year: | | | | | | | | | | |
| 1.1 Direct | 138,117,591 | 138,117,591 | | | | | | | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | 5,904,643 | 5,904,643 | | | | | | | | |
| 1.4 Net | 132,212,948 | 132,212,948 | | | | | | | | |
| 2. Paid medical incentive pools and bonuses | 382,821 | 382,821 | | | | | | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 23,139,745 | 23,139,745 | | | | | | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | 3,093,532 | 3,093,532 | | | | | | | | |
| 3.4 Net | 20,046,213 | 20,046,213 | | | | | | | | |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | | | | | | | | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | |
| 4.4 Net | | | | | | | | | | |
| 5. Accrued medical incentive pools and bonuses, current year | 227,000 | 227,000 | | | | | | | | |
| 6. Net healthcare receivables (a) | (645,582) | (645,582) | | | | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | 15,403,504 | 15,403,504 | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | 17,917,474 | 17,917,474 | | | | | | | | |
| 8.2 Reinsurance assumed | | | | | | | | | | |
| 8.3 Reinsurance ceded | 1,445,772 | 1,445,772 | | | | | | | | |
| 8.4 Net | 16,471,702 | 16,471,702 | | | | | | | | |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | | | | | | | | | | |
| 9.2 Reinsurance assumed | | | | | | | | | | |
| 9.3 Reinsurance ceded | | | | | | | | | | |
| 9.4 Net | | | | | | | | | | |
| 10. Accrued medical incentive pools and bonuses, prior year | 240,355 | 240,355 | | | | | | | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | 3,820,194 | 3,820,194 | | | | | | | | |
| 12. Incurred benefits: | | | | | | | | | | |
| 12.1 Direct | 143,985,444 | 143,985,444 | | | | | | | | |
| 12.2 Reinsurance assumed | | | | | | | | | | |
| 12.3 Reinsurance ceded | 19,135,713 | 19,135,713 | | | | | | | | |
| 12.4 Net | 124,849,731 | 124,849,731 | | | | | | | | |
| 13. Incurred medical incentive pools and bonuses | 369,466 | 369,466 | | | | | | | | |

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|------------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Compre- hensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Reported in Process of Adjustment: | | | | | | | | | | |
| 1.1 Direct | 15,505,214 | 15,505,214 | | | | | | | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | |
| 1.4 Net | 15,505,214 | 15,505,214 | | | | | | | | |
| 2. Incurred but Unreported: | | | | | | | | | | |
| 2.1 Direct | 7,634,531 | 7,634,531 | | | | | | | | |
| 2.2 Reinsurance assumed | | | | | | | | | | |
| 2.3 Reinsurance ceded | 3,093,532 | 3,093,532 | | | | | | | | |
| 2.4 Net | 4,540,999 | 4,540,999 | | | | | | | | |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | |
| 3.1 Direct | | | | | | | | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | |
| 3.4 Net | | | | | | | | | | |
| 4. TOTALS | | | | | | | | | | |
| 4.1 Direct | 23,139,745 | 23,139,745 | | | | | | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | 3,093,532 | 3,093,532 | | | | | | | | |
| 4.4 Net | 20,046,213 | 20,046,213 | | | | | | | | |

UNDERWRITING AND INVESTMENT EXHIBIT

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

| | Line of Business | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 | 6 |
|-----|--|---|--|---|--|--|---|
| | | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid December 31 of Prior Year | 4 On Claims Incurred During the Year | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| 1. | Comprehensive (hospital and medical) | 19,674,738 | 100,954,901 | 147,009 | 19,899,205 | 19,821,747 | 16,471,702 |
| 2. | Medicare Supplement | | | | | | |
| 3. | Dental only | | | | | | |
| 4. | Vision only | | | | | | |
| 5. | Federal Employees Health Benefits Plan | | | | | | |
| 6. | Title XVIII - Medicare | | | | | | |
| 7. | Title XIX - Medicaid | | | | | | |
| 8. | Other health | | | | | | |
| 9. | Health subtotal (Lines 1 to 8) | 19,674,738 | 100,954,901 | 147,009 | 19,899,205 | 19,821,747 | 16,471,702 |
| 10. | Healthcare receivables (a) | | 1,612,080 | | | | 2,257,662 |
| 11. | Other non-health | | | | | | |
| 12. | Medical incentive pool and bonus amounts | 382,821 | | | 227,000 | 382,821 | 240,355 |
| 13. | TOTALS (Lines 9 - 10 + 11 + 12) | 20,057,559 | 99,342,821 | 147,009 | 20,126,205 | 20,204,568 | 14,454,395 |

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2013 | 2 2014 | 3 2015 | 4 2016 | 5 2017 |
| 1. Prior | | | | | |
| 2. 2013 | | | | | |
| 3. 2014 | X X X | 17,701 | 22,141 | 22,006 | 22,005 |
| 4. 2015 | X X X | X X X | 72,901 | 85,480 | 85,677 |
| 5. 2016 | X X X | X X X | X X X | 118,781 | 138,643 |
| 6. 2017 | X X X | X X X | X X X | X X X | 101,600 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2013 | 2 2014 | 3 2015 | 4 2016 | 5 2017 |
| 1. Prior | | | | | |
| 2. 2013 | | | | | |
| 3. 2014 | X X X | 24,225 | 22,299 | 22,006 | 22,005 |
| 4. 2015 | X X X | X X X | 89,723 | 85,524 | 85,677 |
| 5. 2016 | X X X | X X X | X X X | 135,449 | 138,790 |
| 6. 2017 | X X X | X X X | X X X | X X X | 121,726 |

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

| Years in Which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|-------------------------|-------------------------|---|----------------------------|---|----------------------------|-----------------------|--|---|-----------------------------|
| 1. 2013 | | | | | | | | | | |
| 2. 2014 | 32,811 | 22,005 | 0 | 0.000 | 22,005 | 67.066 | | | 22,005 | 67.066 |
| 3. 2015 | 96,218 | 85,677 | 3,293 | 3.844 | 88,970 | 92.468 | | | 88,970 | 92.468 |
| 4. 2016 | 152,982 | 138,643 | 9,636 | 6.950 | 148,279 | 96.926 | 147 | 4 | 148,430 | 97.024 |
| 5. 2017 | 145,212 | 101,600 | 10,807 | 10.637 | 112,407 | 77.409 | 20,126 | 534 | 133,067 | 91.636 |

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2013 | 2 2014 | 3 2015 | 4 2016 | 5 2017 |
| 1. Prior | | | | | |
| 2. 2013 | | | | | |
| 3. 2014 | X X X | 17,701 | 22,141 | 22,006 | 22,005 |
| 4. 2015 | X X X | X X X | 72,901 | 85,480 | 85,677 |
| 5. 2016 | X X X | X X X | X X X | 118,781 | 138,643 |
| 6. 2017 | X X X | X X X | X X X | X X X | 101,600 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2013 | 2 2014 | 3 2015 | 4 2016 | 5 2017 |
| 1. Prior | | | | | |
| 2. 2013 | | | | | |
| 3. 2014 | X X X | 24,225 | 22,299 | 22,006 | 22,005 |
| 4. 2015 | X X X | X X X | 89,723 | 85,524 | 85,677 |
| 5. 2016 | X X X | X X X | X X X | 135,449 | 138,790 |
| 6. 2017 | X X X | X X X | X X X | X X X | 121,726 |

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

| Years in Which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|-------------------------|-------------------------|---|----------------------------|---|----------------------------|-----------------------|--|---|-----------------------------|
| 1. 2013 | | | | | | | | | | |
| 2. 2014 | 32,811 | 22,005 | 0 | 0.000 | 22,005 | 67.066 | | | 22,005 | 67.066 |
| 3. 2015 | 96,218 | 85,677 | 3,293 | 3.844 | 88,970 | 92.468 | | | 88,970 | 92.468 |
| 4. 2016 | 152,982 | 138,643 | 9,636 | 6.950 | 148,279 | 96.926 | 147 | 4 | 148,430 | 97.024 |
| 5. 2017 | 145,212 | 101,600 | 10,807 | 10.637 | 112,407 | 77.409 | 20,126 | 534 | 133,067 | 91.636 |

12 Hospital and Medical

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

UNDERWRITING AND INVESTMENT EXHIBIT

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

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|-----------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-------|
| | Total | Compre- hensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| 1. Unearned premium reserves | | | | | | | | | |
| 2. Additional policy reserves (a) | | | | | | | | | |
| 3. Reserve for future contingent benefits | | | | | | | | | |
| 4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income) | | | | | | | | | |
| 5. Aggregate write-ins for other policy reserves | 4,361,690 | 4,361,690 | | | | | | | |
| 6. TOTALS (Gross) | 4,361,690 | 4,361,690 | | | | | | | |
| 7. Reinsurance ceded | | | | | | | | | |
| 8. TOTALS (Net) (Page 3, Line 4) | 4,361,690 | 4,361,690 | | | | | | | |
| 9. Present value of amounts not yet due on claims | | | | | | | | | |
| 10. Reserve for future contingent benefits | | | | | | | | | |
| 11. Aggregate write-ins for other claim reserves | | | | | | | | | |
| 12. TOTALS (Gross) | | | | | | | | | |
| 13. Reinsurance ceded | | | | | | | | | |
| 14. TOTALS (Net) (Page 3, Line 7) | | | | | | | | | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 0501. Risk Adjustment Payable | 4,271,000 | 4,271,000 | | | | | | | |
| 0502. Advanced Premium Tax Credit | 90,690 | 90,690 | | | | | | | |
| 0503. | | | | | | | | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | 4,361,690 | 4,361,690 | | | | | | | |
| 1101. | | | | | | | | | |
| 1102. | | | | | | | | | |
| 1103. | | | | | | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | | | | | | |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | | | | | | |

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

| | Claim Adjustment Expenses | | 3 General Administrative Expenses | 4 Investment Expenses | 5 Total |
|--|--------------------------------------|--|--|-----------------------------|----------------|
| | 1 Cost Containment Expenses | 2 Other Claim Adjustment Expenses | | | |
| 1. Rent (\$.....0 for occupancy of own building) | | 107,430 | 223,389 | | 330,819 |
| 2. Salaries, wages and other benefits | 3,133,746 | 2,950,122 | 3,000,697 | | 9,084,565 |
| 3. Commissions (less \$.....1,932,843 ceded plus \$.....0 assumed) | | | 5,629,258 | | 5,629,258 |
| 4. Legal fees and expenses | | 812,787 | 1,690,097 | | 2,502,884 |
| 5. Certifications and accreditation fees | | | | | |
| 6. Auditing, actuarial and other consulting services | 55,562 | 328,314 | 627,130 | | 1,011,006 |
| 7. Traveling expenses | 3,410 | 53,883 | 108,634 | | 165,927 |
| 8. Marketing and advertising | | 130,252 | 270,844 | | 401,096 |
| 9. Postage, express and telephone | 6,126 | 152,865 | 311,739 | | 470,730 |
| 10. Printing and office supplies | 29,131 | 187,566 | 360,890 | | 577,587 |
| 11. Occupancy, depreciation and amortization | | 47,884 | 99,569 | | 147,453 |
| 12. Equipment | 2,220 | 5,872 | 9,991 | | 18,083 |
| 13. Cost or depreciation of EDP equipment and software | | | | | |
| 14. Outsourced services including EDP, claims, and other services | 3,250,020 | 1,063,248 | 6,333,272 | | 10,646,540 |
| 15. Boards, bureaus and association fees | 10,740 | 30,377 | 52,426 | | 93,543 |
| 16. Insurance, except on real estate | | 69,064 | 143,611 | | 212,675 |
| 17. Collection and bank service charges | | 133,860 | 516,136 | | 649,996 |
| 18. Group service and administration fees | | | | | |
| 19. Reimbursements by uninsured plans | | | (163,045) | | (163,045) |
| 20. Reimbursements from fiscal intermediaries | | | | | |
| 21. Real estate expenses | | | | | |
| 22. Real estate taxes | | | | | |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes | | | | | |
| 23.2 State premium taxes | | | 5,711,998 | | 5,711,998 |
| 23.3 Regulatory authority licenses and fees | 2,550 | | 3,414,518 | | 3,417,068 |
| 23.4 Payroll taxes | 89,605 | 168,210 | 260,168 | | 517,983 |
| 23.5 Other (excluding federal income and real estate taxes) | 63,324 | 68,922 | 79,991 | | 212,237 |
| 24. Investment expenses not included elsewhere | | | | | |
| 25. Aggregate write-ins for expenses | | | 23,526 | | 23,526 |
| 26. TOTAL Expenses Incurred (Lines 1 to 25) | 6,646,434 | 6,310,656 | 28,704,839 | | (a) 41,661,929 |
| 27. Less expenses unpaid December 31, current year | | 537,495 | 2,164,383 | | 2,701,878 |
| 28. Add expenses unpaid December 31, prior year | | 537,495 | 4,387,226 | | 4,924,721 |
| 29. Amounts receivable relating to uninsured plans, prior year | | | | | |
| 30. Amounts receivable relating to uninsured plans, current year | | | | | |
| 31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 6,646,434 | 6,310,656 | 30,927,682 | | 43,884,772 |
| DETAILS OF WRITE-INS | | | | | |
| 2501. Interest charge | | | 23,526 | | 23,526 |
| 2502. | | | | | |
| 2503. | | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | | | 23,526 | | 23,526 |

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

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|---|-------------------------------|----------------------------|
| 1. U.S. Government bonds | (a) 20,152 | 22,502 |
| 1.1 Bonds exempt from U.S. tax | (a) | |
| 1.2 Other bonds (unaffiliated) | (a) 269,180 | 242,952 |
| 1.3 Bonds of affiliates | (a) | |
| 2.1 Preferred stocks (unaffiliated) | (b) | |
| 2.11 Preferred stocks of affiliates | (b) | |
| 2.2 Common stocks (unaffiliated) | | |
| 2.21 Common stocks of affiliates | | |
| 3. Mortgage loans | (c) | |
| 4. Real estate | (d) | |
| 5. Contract loans | | |
| 6. Cash, cash equivalents and short-term investments | (e) 7,127 | 6,523 |
| 7. Derivative instruments | (f) | |
| 8. Other invested assets | | |
| 9. Aggregate write-ins for investment income | | |
| 10. TOTAL Gross investment income | 296,459 | 271,976 |
| 11. Investment expenses | | (g) |
| 12. Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. Interest expense | | (h) |
| 14. Depreciation on real estate and other invested assets | | (i) |
| 15. Aggregate write-ins for deductions from investment income | | |
| 16. TOTAL Deductions (Lines 11 through 15) | | |
| 17. Net Investment income (Line 10 minus Line 16) | | 271,976 |

DETAILS OF WRITE-INS

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

- (a) Includes \$ 2,054 accrual of discount less \$ 58,306 amortization of premium and less \$ 9,223 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 | 2 | 3 | 4 | 5 |
|--|---|-------------------------------|---|--|--|
| | Realized Gain (Loss) on Sales or Maturity | Other Realized Adjustments | Total Realized Capital Gain (Loss) (Columns 1 + 2) | Change in Unrealized Capital Gain (Loss) | Change in Unrealized Foreign Exchange Capital Gain (Loss) |
| 1. U.S. Government bonds | 7,647 | | 7,647 | | |
| 1.1 Bonds exempt from U.S. tax | | | | | |
| 1.2 Other bonds (unaffiliated) | (10,568) | | (10,568) | | |
| 1.3 Bonds of affiliates | | | | | |
| 2.1 Preferred stocks (unaffiliated) | | | | | |
| 2.11 Preferred stocks of affiliates | | | | | |
| 2.2 Common stocks (unaffiliated) | | | | | |
| 2.21 Common stocks of affiliates | | | | | |
| 3. Mortgage loans | | | | | |
| 4. Real estate | | | | | |
| 5. Contract loans | | | | | |
| 6. Cash, cash equivalents and short-term investments | | | | | |
| 7. Derivative instruments | | | | | |
| 8. Other invested assets | | | | | |
| 9. Aggregate write-ins for capital gains (losses) | | | | | |
| 10. TOTAL Capital gains (losses) | (2,921) | | (2,921) | | |

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

| | 1 | 2 | 3 |
|---|--|--|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) | | | |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | | | |
| 2.2 Common stocks | | | |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | | | |
| 3.2 Other than first liens | | | |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | | | |
| 4.2 Properties held for the production of income | | | |
| 4.3 Properties held for sale | | | |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | | | |
| 6. Contract loans | | | |
| 7. Derivatives (Schedule DB) | | | |
| 8. Other invested assets (Schedule BA) | | | |
| 9. Receivables for securities | | | |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | |
| 11. Aggregate write-ins for invested assets | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | | | |
| 13. Title plants (for Title insurers only) | | | |
| 14. Invested income due and accrued | | | |
| 15. Premium and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | | | |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination | 1,061,336 | 1,061,336 | |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | | | |
| 16.2 Funds held by or deposited with reinsured companies | | | |
| 16.3 Other amounts receivable under reinsurance contracts | | | |
| 17. Amounts receivable relating to uninsured plans | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | |
| 18.2 Net deferred tax asset | | | |
| 19. Guaranty funds receivable or on deposit | | | |
| 20. Electronic data processing equipment and software | | 3,243 | 3,243 |
| 21. Furniture and equipment, including health care delivery assets | | 179,861 | 179,861 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | |
| 24. Health care and other amounts receivable | 701,680 | 1,699,896 | 998,216 |
| 25. Aggregate write-ins for other than invested assets | 267,673 | 616,480 | 348,807 |
| 26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 2,030,689 | 3,560,816 | 1,530,127 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. TOTAL (Lines 26 and 27) | 2,030,689 | 3,560,816 | 1,530,127 |
| DETAILS OF WRITE-INS | | | |
| 1101. | | | |
| 1102. | | | |
| 1103. | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | |
| 2501. Prepaid Expenses | 58,066 | 575,672 | 517,606 |
| 2502. Security Deposit | 40,808 | 40,808 | |
| 2503. Other receivables | 168,799 | | (168,799) |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 267,673 | 616,480 | 348,807 |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | Total Members at End of | | | | | 6 Current Year Member Months |
|--|-------------------------|-----------------------|------------------------|-----------------------|----------------------|---------------------------------------|
| | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | |
| 1. Health Maintenance Organizations | 42,924 | 40,666 | 40,118 | 39,391 | 38,626 | 477,754 |
| 2. Provider Service Organizations | | | | | | |
| 3. Preferred Provider Organizations | | | | | | |
| 4. Point of Service | | | | | | |
| 5. Indemnity Only | | | | | | |
| 6. Aggregate write-ins for other lines of business | | | | | | |
| 7. TOTAL | 42,924 | 40,666 | 40,118 | 39,391 | 38,626 | 477,754 |
| DETAILS OF WRITE-INS | | | | | | |
| 0601. | | | | | | |
| 0602. | | | | | | |
| 0603. | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | | | | | | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | | | | | | |

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

| 1 Name of Debtor | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Nonadmitted | 7 Admitted |
|--|------------------|-------------------|-------------------|-------------------|------------------|---------------|
| 0199999 TOTAL Individuals | | | | | | |
| 0299998 Premiums due and unpaid not individually listed | 1,236,174 | 181,981 | 47,268 | | | 1,465,424 |
| 0299999 TOTAL Group | 1,236,174 | 181,981 | 47,268 | | | 1,465,424 |
| 0399999 Premiums due and unpaid from Medicare entities | | | | | | |
| 0499999 Premiums due and unpaid from Medicaid entities | | | | | | |
| 0599999 Accident and health premiums due and unpaid (Page 2, Line 15) .. | 1,236,174 | 181,981 | 47,268 | | | 1,465,424 |

EXHIBIT 3 - HEALTH CARE RECEIVABLES

| 1 Name of Debtor | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Nonadmitted | 7 Admitted |
|--|------------------|-------------------|-------------------|-------------------|------------------|---------------|
| Pharmaceutical Rebate Receivables | | | | | | |
| 0199998 Pharmaceutical Rebate Receivables - Not Individually Listed | 40,000 | 40,000 | 40,000 | | | 120,000 |
| 0199999 Subtotal - Pharmaceutical Rebate Receivables | 40,000 | 40,000 | 40,000 | | | 120,000 |
| 0299998 Claim Overpayment Receivables - Not Individually Listed | 124,105 | 189,438 | 52,130 | 547,407 | 701,680 | 211,400 |
| 0299999 Subtotal - Claim Overpayment Receivables | 124,105 | 189,438 | 52,130 | 547,407 | 701,680 | 211,400 |
| 0399998 Loans and Advances to Providers - Not Individually Listed | | | | | | |
| 0399999 Subtotal - Loans and Advances to Providers | | | | | | |
| 0499998 Capitation Arrangement Receivables - Not Individually Listed | | | | | | |
| 0499999 Subtotal - Capitation Arrangement Receivables | | | | | | |
| 0599998 Risk Sharing Receivables - Not Individually Listed | | | | | | |
| 0599999 Subtotal - Risk Sharing Receivables | | | | | | |
| 0699998 Other Receivables - Not Individually Listed | | 79,000 | | 500,000 | | 579,000 |
| 0699999 Subtotal - Other Receivables | | 79,000 | | 500,000 | | 579,000 |
| 0799999 Gross health care receivables | 164,105 | 308,438 | 92,130 | 1,047,407 | 701,680 | 910,400 |

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

| Type of Health Care Receivable | Health Care Receivables Collected During the Year | | Health Care Receivables Accrued as of December 31 of Current Year | | 5 | 6 |
|---|--|---|---|---|--|---|
| | 1 On Amounts Accrued Prior to January 1 of Current Year | 2 On Amounts Accrued During the Year | 3 On Amounts Accrued December 31 of Prior Year | 4 On Amounts Accrued During the Year | Health Care Receivables in Prior Years (Columns 1 + 3) | Estimated Health Care Receivables Accrued as of December 31 of Prior Year |
| 1. Pharmaceutical rebate receivables | 1,847,695 | 5,368,015 | | 120,000 | 1,847,695 | 1,846,280 |
| 2. Claim overpayment receivables | 211,400 | | 199,982 | 713,098 | 411,382 | 411,382 |
| 3. Loans and advances to providers | | | | | | |
| 4. Capitation arrangement receivables | | | | | | |
| 5. Risk sharing receivables | | | | | | |
| 6. Other health care receivables | | | | 579,000 | | |
| 7. TOTALS (Lines 1 through 6) | 2,059,095 | 5,368,015 | 199,982 | 1,412,098 | 2,259,077 | 2,257,662 |

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

| 1 Account | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 91 - 120 Days | 6 Over 120 Days | 7 Total |
|--|------------------|-------------------|-------------------|--------------------|--------------------|------------|
| Individually Listed Claims Unpaid | | | | | | |
| Lovelace | 2,427,854 | 94,011 | 4,125 | | | 2,525,990 |
| Optum Rx | 8,183,737 | | | | | 8,183,737 |
| 0199999 Total - Individually Listed Claims Unpaid | 10,611,591 | 94,011 | 4,125 | | | 10,709,727 |
| 0299999 Aggregate Accounts Not Individually Listed - Uncovered | | | | | | |
| 0399999 Aggregate Accounts Not Individually Listed - Covered | 4,569,438 | 208,228 | 7,889 | 5,181 | 4,752 | 4,795,488 |
| 0499999 Subtotals | 15,181,029 | 302,239 | 12,014 | 5,181 | 4,752 | 15,505,215 |
| 0599999 Unreported claims and other claim reserves | | | | | | 7,634,531 |
| 0699999 TOTAL Amounts Withheld | | | | | | |
| 0799999 TOTAL Claims Unpaid | | | | | | 23,139,746 |
| 0899999 Accrued Medical Incentive Pool and Bonus Amounts | | | | | | 227,000 |

22 Exhibit 5 - Amounts Due From Parent NONE

23 Exhibit 6 - Amounts Due to Parent NONE

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

| Payment Method | 1 Direct Medical Expense Payment | 2 Column 1 as a % of Total Payments | 3 Total Members Covered | 4 Column 3 as a % of Total Members | 5 Column 1 Expenses Paid to Affiliated Providers | 6 Column 1 Expenses Paid to Non-Affiliated Providers |
|---|-------------------------------------|--|----------------------------|---------------------------------------|---|---|
| Capitation Payments: | | | | | | |
| 1. Medical groups | | | | | | |
| 2. Intermediaries | | | | | | |
| 3. All other providers | | | | | | |
| 4. TOTAL Capitation Payments | | | | | | |
| Other Payments: | | | | | | |
| 5. Fee-for-service | 138,117,591 | 99.724 | X X X | X X X | | 138,117,591 |
| 6. Contractual fee payments | | | X X X | X X X | | |
| 7. Bonus/withhold arrangements - fee-for-service | 382,821 | 0.276 | X X X | X X X | | 382,821 |
| 8. Bonus/withhold arrangements - contractual fee payments | | | X X X | X X X | | |
| 9. Non-contingent salaries | | | X X X | X X X | | |
| 10. Aggregate cost arrangements | | | X X X | X X X | | |
| 11. All other payments | | | X X X | X X X | | |
| 12. TOTAL Other Payments | 138,500,412 | 100.000 | X X X | X X X | | 138,500,412 |
| 13. TOTAL (Line 4 plus Line 12) | 138,500,412 | 100.000 | X X X | X X X | | 138,500,412 |

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

| 1 NAIC Code | 2 Name of Intermediary | 3 Capitation Paid | 4 Average Monthly Capitation | 5 Intermediary's Total Adjusted Capital | 6 Intermediary's Authorized Control Level RBC |
|----------------|---------------------------|----------------------|---------------------------------|--|--|
| NONE | | | | | |
| 9999999 | TOTALS | | X X X | X X X | X X X |

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--|----------------|--------------|-----------------------------|------------------------------------|---------------------------|---------------------------|
| Description | Cost | Improvements | Accumulated Depreciation | Book Value Less Encumbrances | Assets Not Admitted | Net Admitted Assets |
| 1. Administrative furniture and equipment | | | | | | |
| 2. Medical furniture, equipment and fixtures | N O N E | | | | | |
| 3. Pharmaceuticals and surgical supplies | | | | | | |
| 4. Durable medical equipment | | | | | | |
| 5. Other property and equipment | | | | | | |
| 6. TOTAL | | | | | | |

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of New Mexico Health Connections (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the state of New Mexico for determining and reporting the financial conditions and results of operation of an insurance company for determining its solvency under New Mexico Insurance law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of New Mexico.

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

On November 14, 2017 the State of New Mexico Office of Superintendent of Insurance(OSI) approved the accounting treatment of the Asset Purchase Agreement with Evolent Health for \$10,000,000 and the accounting treatment of the Pharmacy audit amount of \$579,000 which allowed the Company to admit the receivable per SSAP No.4 and SSAP No.9 for the Gain on sale of specific assets named in agreement and Other Receivables respectively. As of December 31, 2017 non-admission of these amounts would have resulted in the Company being at a mandatory control action level with the State.

| | | SSAP# | F/S Page | F/S Line# | 2017 | 2016 |
|-------------------|---|-------|-------------|--------------|-------------|--------------|
| NET INCOME | | | | | | |
| (1) | State basis (Page 4, Line 32, Columns 2 & 3) | XXX | XXX | XXX | (4,405,555) | (17,881,705) |
| (2) | State Prescribed Practices that increase/(decrease) NAIC SAP: | | | | | |
| (201) | | | | | | |
| (299) | Total | | | | | |
| (3) | State Permitted Practices that increase/(decrease) NAIC SAP: | | | | | |
| (301) | | | | | | |
| (399) | Total | | | | | |
| (4) | NAIC SAP (1-2-3=4) | XXX | XXX | XXX | (4,405,555) | (17,881,705) |
| SURPLUS | | | | | | |
| (5) | State basis (Page 3, Line 33, Columns 3 & 4) | XXX | XXX | XXX | 9,240,083 | 12,113,004 |
| (6) | State Prescribed Practices that increase/(decrease) NAIC SAP: | | | | | |
| (601) | | | | | | |
| (699) | Total | | | | | |
| (7) | State Permitted Practices that increase/(decrease) NAIC SAP: | | | | | |
| (701) | Receivable for Sale of LOB | 04,09 | 2 | 2504 | 10,000,000 | |
| (702) | Pharmacy Receivable | 04,09 | 2 | 24 | 579,000 | |
| (799) | Total | | | | 10,579,000 | |
| (8) | NAIC SAP (5-6-7=8) | XXX | XXX | XXX | (1,338,917) | 12,113,004 |

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. It also requires disclosures of contingent assets and liabilities at the date of the financial

Notes to Financial Statements

statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

- (1) Cash and short-term investments include cash and US government and agency obligations with original dates of maturity of twelve months or less when purchased. Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the scientific interest method. The Company does not own any mandatory convertible securities or SVO-identified bond ETFs.
- (3) The Company has no common stock.
- (4) The Company has no preferred stock.
- (5) The Company had no mortgage loans.
- (6) The Company has no loan backed securities.
- (7) The Company had no investments in subsidiaries, controlled and affiliated companies.
- (8) The Company had no investments in joint ventures, partnerships and limited liability companies.
- (9) The Company had no derivatives.
- (10) The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include amounts determined from claims estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company capitalizes, depreciates and admits EDP equipment and operating software in accordance with SSAP NO. 16R. The Company also capitalizes furniture, fixtures and equipment, and leasehold improvements, and non-admits them in accordance with SSAP No. 19.
- (13) The Company has admitted balances of \$120,000 from pharmacy rebates accrued as of December 31, 2017.

D. Going Concern

- 1) Management has evaluated the Company's ability to continue as a going concern. New Mexico Health Connections was assessed a Risk Adjustment Payable for the 2016 year that was unanticipated. This caused the entity to have a significant decline of capital and surplus for year-end 2017. The Company worked with the New Mexico Office of the Superintendent to find a buyer of its small and large group business. The sale of these assets brought in sufficient Capital for the Company to continue its operations and no longer have a going concern.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

- a. Statutory Purchase Method – None
- b. Statutory Merger – None
- c. Assumption Reinsurance – None
- d. Impairment Loss – None

4. Discontinued Operations

None

Notes to Financial Statements

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgages - None
- D. Loan-Backed Securities

(1) Prepayment assumptions are obtained from Bloomberg market data and the Company's investment manager's internal estimates

(2) OTTI recognized 3rd quarter – None

(3) Recognized OTTI by CUSIP – None

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains are below:

a.

| | Unrealized Losses |
|-----------------------------|--------------------------|
| Less than 12 months: | \$ (13,871) |
| 12 Months or Longer: | \$ (54,750) |
| Total | \$ (68,621) |

b.

| | Fair Value |
|-----------------------------|---------------------|
| Less than 12 months: | \$ 1,424,611 |
| 12 Months or Longer: | \$ 2,327,852 |
| Total | \$ 3,752,464 |

(5) Additional considerations - Bonds in an unrealized loss position are regularly reviewed for other-than temporary declines in value. Factors considered in determining whether a decline is other-than-temporary include the length of time a bond has been in an unrealized loss position and the reasons for the decline in value. Assessments include judgments about an obligor's or guarantor's current and projected financial position projected ability to service and repay its debt obligations, the existence of, and realizable value for, any collateral backing the obligations, and the macro-economic and micro-economic outlooks for specific industries and issuers. Estimating the future cash flows of loan-backed securities also involves assumptions regarding the underlying collateral such as prepayment rates, default and recovery rates, existence of subordinated classes capable of absorbing losses, and third-party servicing abilities.

- E. Dollar Repurchase Agreements and/or Security Lending Transactions – None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- H. Repurchase Agreements Transactions Accounted for as a Sale – None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate – None
- K. Low-income housing tax credits (LIHTC) – None

Notes to Financial Statements

L. 1 - Restricted Assets (Including Pledged)

| Restricted Asset Category | | 1 Total Gross (Admitted & Nonadmitted) Restricted From Current Year | 2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year | 3 Increase/ (Decrease) (Col. 1 minus Col. 2) | 4 Total Current Year Nonadmitted Restricted | 5 Total Current Year Admitted Restricted | 6 Gross (Admitted & Nonadmitted) Restricted to Total Assets | 7 Admitted Restricted to Total Admitted Assets |
|---------------------------|---|---|--|--|--|---|--|---|
| a. | Subject to contractual obligation for which liability is not shown | | | | | | | |
| b. | Collateral held under security lending agreements | | | | | | | |
| c. | Subject to repurchase agreements | | | | | | | |
| d. | Subject to reverse repurchase agreements | | | | | | | |
| e. | Subject to dollar repurchase agreements | | | | | | | |
| f. | Subject to dollar reverse repurchase agreements | | | | | | | |
| g. | Placed under options contracts | | | | | | | |
| h. | Letter stock or securities restricted as to sale-excluding FHLB capital stock | | | | | | | |
| i. | FHLB capital stock | | | | | | | |
| j. | On deposit with states | \$416,576 | \$409,906 | \$6,670 | | \$416,576 | 0.786 | 0.817 |
| k. | On deposit with other regulatory bodies | | | | | | | |
| l. | Pledged as collateral to FHLB (including assets backing funding agreements) | | | | | | | |
| m. | Pledged as collateral not captured in other categories | | | | | | | |
| n. | Other restricted assets | | | | | | | |
| o. | Total Restricted Assets | \$416,576 | \$409,906 | \$6,670 | | \$416,576 | 0.786 | 0.817 |

2 - Detail of Assets Pledged as Collateral Not Captured in Other Categories Contracts That Share Similar Characteristics, Such as Reinsurance and derivatives, are Reported in the Aggregate) – None

3 - Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, such as Reinsurance and Derivatives, Are Reported in the Aggregate – None

4 - Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements - None

M. Working Capital Finance Investments - None

N. Offsetting and Netting of Assets and Liabilities – None

O. Structured Notes – None

P. 5* Securities – None

Q. Short Sales – None

R. Prepayment Penalty and Accelerated Fees - None

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

7. Investment Income

a. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.

b. The Company had no investment income due and accrued excluded from surplus.

c.

Notes to Financial Statements

8. Derivative Instruments

None

9. Income Taxes

None

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

A – C. The New Mexico Health Connections Co-Op is a not-for-profit organization incorporated on February 25, 2011. The Co-Op has no parent, subsidiaries, or affiliates.

D. There are no amounts due from the Company's Parent.

N. Guarantees – None.

O. Material Management Contracts – None.

G. The Company has no subsidiaries.

H. Ownership in any upstream intermediate entities or ultimate parent companies owned – None.

I. Investment in SCA entities – None.

J. Investments in Impaired SCA entities – None.

K. Investment in Foreign Insurance Subsidiary – None.

L. Investment in downstream noninsurance holding company – None.

M. Valuation of downstream noninsurance holding company – None.

N. The Company has no ownership in SCA companies.

11. Debt

None.

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

A. Defined Benefit Plan – None.

B. Description of Investment Policies and Strategies for Each Class of Plan Assets – None.

C. Fair Value Measurement of Plan Assets at Reporting Date – None.

D. Description of the basis used to determine the overall expected long-term rate of return on assets assumption – None.

E. Defined Contribution Plan – Effective April 2013, the Company's employees may participate in a 401(K) plan sponsored by the company which covers substantially all full-time salaried and administrative employees. Eligible employees are allowed to contribute up to the maximum allowed by law.

F. Multi-Employer Plan – None.

G. Consolidated/Holding Company Plans – None.

H. Post-Employment Benefits and Compensated Absences – None.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None.

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

(1) The Company has no common stock outstanding.

(2) The Company has no preferred stock outstanding.

Notes to Financial Statements

- (3) Dividend restrictions – Without prior approval, dividends are not allowed by the laws of the Company’s state of domicile.
- (4) As of December 31, 2017, the Company paid no dividends.
- (5) Portions of Company’s profit paid as ordinary dividends to stockholders – None
- (6) Description of any restrictions on unassigned funds – None
- (7) Total amount of advances to surplus not repaid – None
- (8) Total amount of stock held by the company for special purposes – None
- (9) Reasons for changes in the balances of any special surplus funds – None
- (10) Portions of unassigned funds represented or reduced by unrealized gains or losses is \$0
- (11) The Company issued the following surplus debentures or similar obligations:

| | Description | Date Issued | Interest Rate | Par Value (Face Amount of Notes) | Carrying Value of Note | Interest And/Or Principal Paid Current Year | Total Interest And/Or Principal Paid | Unapproved Interest And/Or Principal | Date of Maturity |
|---------|--------------|-------------|---------------|----------------------------------|------------------------|---|--------------------------------------|--------------------------------------|------------------|
| 1311001 | HHS solvency | 02/28/2012 | 0.0% | 13,050,282 | 13,050,282 | | | | 06/20/2019 |
| 1311002 | HHS solvency | 01/29/2013 | 0.37% | 11,751,145 | 11,751,145 | | | | 01/29/2028 |
| 1311003 | HHS solvency | 12/24/2013 | 0.37% | 33,052,866 | 33,052,866 | | | | 12/24/2028 |
| 1311004 | HHS solvency | 11/23/2015 | 0.37% | 19,463,489 | 19,463,489 | | | | 11/23/2030 |
| 1311999 | Total | | | 77,317,782 | 77,317,782 | | | | XXX |

A. On February 17, 2012, the Company was awarded a loan under the Consumer-Operated and Oriented Plan (CO-OP) Program established by Section 1322 of the Affordable Care Act and applicable regulations. Under this program, the Company receives start-up and solvency loans from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS). The Company was awarded \$13,050,282 in start-up loan funds and \$64,267,500 in solvency loan funds. \$32,513,771 were transferred to Surplus Notes in 2015.

Start-up loan funds received during 2014 were \$1,547,472. Start-up loans must be repaid in five years from the date of disbursement and bears an interest rate of 0%. The funds can only be used in accordance with the Company’s business plan, the start-up loan disbursement plan and the CO-OP Funding Opportunity Announcement Number: OO-COO-11-001, CFDA No. 93.545, published by CMS on July 28, 2011. Start-Up loan funds cannot be used to pay for costs associated with purchase of land and construction of facilities, including construction or clinical costs such as the costs of actual medical services provider salaries and contracts or payment, provider clinical space, and clinical equipment.

Under the Affordable Care Act, Section 1322(a), Congress has directed the Secretary of the Department of Health and Human Services (“HHS”) to establish a CO•OP program to foster the creation of qualified nonprofit health insurance issuers to offer qualified health plans in the individual and small group markets through provisions of loans to qualified applicants for the purpose of financing start•up costs and insurance reserves. Disbursements from the Start•Up Loan are to be used for specified expenses of forming the CO•OP in accordance with the provisions of the loan agreement. Under the loan agreement with CMS, the Start•Up Loan has a claim on cash flow and reserves of the Company that is subordinate to claims payments, basic operating expense and maintenance of required reserve funds while the Company is operating as a CO•OP under State Insurance Laws.

The Series B loan proceeds will be used for the establishment of risk-based capital reserves necessary to meet state reserve requirements and other state insurance laws. In connection with the Division’s review of the solvency loan terms and the approval process, the Division agreed to treat the loan as a component of capital and surplus for statutory reporting purposes. Borrowings on the Series B loan will be subordinated to the (1) claims of creditors, (2) claims of policyholders, (3) operating expenses of the lender, and (4) reserve and solvency requirements as determined by applicable state law. The outstanding balance on the Series B loan as of December

Notes to Financial Statements

31, 2017, and 2017 was \$64,267,500 and \$64,267,500, respectively. The interest rate on the Series B loan is fixed at 0.37%. The maximum principal available under the Series B loan is \$64,267,500. The loan agreement also requires that the borrower satisfy certain requirements and milestones to remain eligible for future disbursements. Borrowings will be reflected as surplus notes reported as a component of capital and surplus under statutory accounting principles. The balance as of December 31, 2017 is to mature in 2028.

No payment of principal or interest shall be made without authorization and approval by the Division. In accordance with Statutory Accounting Principles, interest will not be recorded as a liability or expense in the statutory financial statements prior to such approval. Subject to approval, repayment terms as outlined in the promissory note provide:

- For Series B borrowings made after 2012, but no later than 2018, the interest-only payment period begin in 2019 and ends 6 years from the date of the disbursement. During the interest-only payment period, interest payments are due annually. Interest will be capitalized on an annual basis during the period prior to the first scheduled interest payment due date.
- For Series B borrowings made after 2018, the interest-only payment period begins one year after the disbursement date, and ends 6 years after the disbursement date. During the interest-only payment period, 6 annual interest payments are due.
- For Series B loan disbursements, principal payments begin the later of 2019 or 7 years from the time of the disbursement and ends 15 years from the time of the disbursement. During this period 9 equal, annual payments that include principal and interest, are due each year based upon the full amortization of the remaining unpaid principal balance over the remaining term.

The loan agreement contains covenants and failure to comply with any such covenants could result in the debt becoming payable on demand. The covenants are primarily non-financial and data monitoring and reporting covenants focused on compliance with terms of the loan agreement as well as providing insights to CMS on activities performed.

(12) Impact of restatement in a quasi-reorganization – None

(13) Effective date of quasi-reorganization – None.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments – None.

B. Assessments – None.

C. Gain Contingencies – None.

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits – None.

E. Joint and Several Liabilities – None.

F. All Other Contingencies – None.

Notes to Financial Statements

15. Leases

A. Lessee Operating Lease

(1) The CO-OP leases administrative office space under a long-term lease agreement. Expenses paid and accrued related to these obligations are included in General and Administrative expenses. Rental expense for 2016 was \$334,389 and \$322,297 for the year ending December 31, 2017.

a. Certain rental commitments with renewal options extending through the year 2020 were transferred to True Health of New Mexico.

(2) Aggregate Rental Commitments

a. As of December 31, 2017, there are no remaining lease obligations.

(4) The CO-OP is not involved in any sales – leaseback transactions.

B. Lessor Leases

None

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

None

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

A. Transfers of Receivables reported as Sales – None.

B. Transfer and Servicing of Financial Assets - None.

C. Wash Sales – None

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

None.

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

None.

20. Fair Value Measurements

A. The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives the highest priority to fair values determined using unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to fair values determined using unobservable inputs (Level 3). An asset's or liability's classification is determined based on the lowest level input that is significant to its measurement.

For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level3). The levels of the fair value hierarchy are as follows:

Level 1: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2: Inputs are other than quoted prices included in level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Fair value of actively traded fixed-income and equity securities is based on quoted market prices. Fair value of inactive traded fixed-income securities is based on quoted market prices of identical or similar securities based on observable inputs like interest rates using a market valuation approach is generally classified as Level 2. Investments measured based on the practical expedient being net asset value (NAV), based on the NAV of the fund as provided for in the audited financial statements and other fund reporting, are generally classified as Level 3.

Notes to Financial Statements

- (1) Fair Value Measurements at Reporting Date - None
- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None
- (3) The Company evaluates and recognizes when transfers between levels are needed at the end of the reporting period
- (4) a & b & c - There are no fair value measurements categorized within Level 3 of the fair value hierarchy
- (5) Derivative assets and liabilities - None

B. Fair Value information under SSAP No. 100 combined with Fair Value information Under Other Accounting Pronouncements – None.

C. Aggregate Fair Value of All Financial Instruments

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|-------------|-------------|-----------|----------------------------------|
| Bonds | \$10,118,897 | \$10,210,379 | \$1,376,464 | \$8,742,433 | | |
| Cash Equivalents | \$669,424 | 669,424 | | 669,424 | | |

D. Not Practicable to Estimate Fair Value - None

21. Other Items

- a. Unusual or Infrequent Items – None.
- b. Troubled Debt Restructuring – None.
- c. Other Disclosures - None.
- d. Business Interruption Insurance Recoveries - None.
- e. State Transferable Tax Credits - None.
- f. Subprime Related Risk Exposure – None.
- g. Retained Assets – None.
- h. Insurance Linked Securities – None.

Notes to Financial Statements

22. Events Subsequent

Type I - Recognized Subsequent Events

Subsequent events have been considered through 05/10/2018 for the statutory statement issued on December 31, 2017

Type II – Non-recognized Subsequent Events

Subsequent events have been considered through 05/10/2018 for the statutory statement issued on December 31, 2017

On January 1, 2018 the Company will be subject to an annual fee under Section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2017, the Company has written health insurance subject to the ACA assessment and expects to conduct health insurance business in 2018, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2018, to be \$1,655,928. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by (26.3) percentage points. Reporting the ACA assessment as of December 31, 2017, would have triggered an RBC action level

| | CY | PY |
|---|-------------|---------------|
| A. Did reporting entity write A&H insurance premium that is subject to Sec 9010 of the ACA | Yes | |
| B. ACA fee assessment payable for the upcoming year | \$1,655,928 | \$ |
| C. ACA fee assessment paid | | \$ 582,800 |
| D. Premium written subject to ACA 9010 assessment | 160,208,898 | \$156,111,595 |
| E. Total Adjusted Capital before surplus adjustment | 9,240,083 | |
| F. Total Adjusted Capital after surplus adjustment | 7,584,155 | |
| G. Authorized Control Level after surplus adjustment | 6,309,009 | |
| H. Would reporting the ACA assessment as of 12/31/2017 have triggered an RBC action level(Y/N)? | Y | |

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, by 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) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (x)

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

Notes to Financial Statements

Yes () No (x)

Section 3 – Ceded Reinsurance Report – Part B – Not applicable.

b. Uncollectible Reinsurance – None

c. Commutation of Ceded Reinsurance – None

d. Certified Reinsurer Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A – C None

D - Medical loss ratio rebates required pursuant to the Public Health Service Act. - None

E (1) Did the reporting entity write Accident and Health insurance premiums that is subject to Affordable Care Act risk-sharing provisions (Yes/No)? Yes

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

| | | AMOUNT |
|----|--|----------------|
| a. | Permanent ACA Risk Adjustment Program | |
| | Assets | |
| | 1. Premium adjustments receivable due to ACA Risk Adjustment | \$1,063,000 |
| | Liabilities | |
| | 2. Risk adjustment user fees payable for ACA Risk Adjustment | \$ 135,426 |
| | 3. Premium adjustments payable due to ACA Risk Adjustment | \$4,271,000 |
| | Operations (Revenue & Expense) | |
| | 4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment | \$(19,117,525) |
| | 5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) | \$68,925 |
| b. | Transitional ACA Reinsurance Program | |
| | Assets | |
| | 1. Amounts recoverable for claims paid due to ACA Reinsurance | \$553,305 |
| | 2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) | \$0 |
| | 3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance | \$0 |
| | Liabilities | |
| | 4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium | \$0 |
| | 5. Ceded reinsurance premiums payable due to ACA Reinsurance | \$0 |
| | 6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance | \$0 |
| | Operations (Revenue & Expense) | |
| | 7. Ceded reinsurance premiums due to ACA Reinsurance | \$0 |
| | 8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments | \$510,531 |
| | 9. ACA Reinsurance Contributions - not reported as ceded premium | \$0 |
| c. | Temporary ACA Risk Corridors Program | |
| | Assets | |
| | 1. Accrued retrospective premium due to ACA Risk Corridors | |
| | Liabilities | |
| | 2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors | \$0 |
| | Operations (Revenue & Expense) | |
| | 3. Effect of ACA Risk Corridors on net premium income (paid/received) | \$0 |
| | 4. Effect of ACA Risk Corridors on change in reserves for rate credits | \$0 |

The Company does not have any self-insured business that would require disclosure of any uninsured plans contributions within the Transitional Reinsurance Program.

Notes to Financial Statements

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

| | Accrued During the Prior Year on Business Written Before December 31 of the Prior Year | | Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year | | Differences | | Adjustments | | | Unsettled Balances as of the Reporting Date | |
|---|--|-----------|--|--------------------|--|--|------------------------|------------------------|-----|---|---|
| | 1 | 2 | 3 | 4 | Prior Year Accrued Less Payments (Col 1-3) | Prior Year Accrued Less Payments (Col 2-4) | To Prior Year Balances | To Prior Year Balances | Ref | Cumulative Balance from Prior Years (Col 1-3+7) | Cumulative Balance from Prior Years (Col 2-4+8) |
| | | | | | 5 | 6 | 7 | 8 | | 9 | 10 |
| | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | | Receivable | (Payable) |
| a. Permanent ACA Risk Adjustment Program | | | | | | | | | | | |
| 1. Premium adjustments receivable | 6,976,000 | | | | 6,976,000 | | (6,976,000) | | A | | |
| 2. Premium adjustments (payable) | | | | (8,946,071) | | 8,946,071 | | (8,946,071) | B | | |
| 3. Subtotal ACA Permanent Risk Adjustment Program | 6,976,000 | | | (8,946,071) | 6,976,000 | 8,946,071 | (6,976,000) | (8,946,071) | | | |
| b. Transitional ACA Reinsurance Program | | | | | | | | | | | |
| 1. Amounts recoverable for claims paid | 2,544,493 | | 2,501,719 | | 42,774 | | 510,531 | | C | 553,305 | |
| 2. Amounts recoverable for claims unpaid (contra liability) | 532,693 | | | | 532,693 | | (532,693) | | D | | |
| 3. Amounts receivable relating to uninsured plans | | | | | | | | | E | | |
| 4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium | 665,692 | | 665,692 | | | | | | F | | |
| 5. Ceded reinsurance premiums payable | 498,989 | | 498,989 | | | | | | G | | |
| 6. Liability for amounts held under uninsured plans | | | | | | | | | H | | |
| 7. Subtotal ACA Transitional Reinsurance Program | 4,241,867 | | 3,666,400 | | 575,467 | | (22,162) | | C | 553,305 | |
| c. Temporary ACA Risk Corridors Program | | | | | | | | | | | |
| 1. Accrued retrospective premium | 1,061,336 | | | | 1,061,336 | | | | I | 1,061,336 | |
| 2. Reserve for rate credits or policy experience rating refunds | | | | | | | | | J | | |
| 3. Subtotal ACA Risk Corridors Program | 1,061,336 | | | | 1,061,336 | | | | | 1,061,336 | |
| d. Total for ACA Risk Sharing Provisions | 12,279,203 | | 3,666,400 | (8,946,071) | 8,612,803 | 8,946,071 | (6,998,162) | (8,946,071) | | 1,614,641 | |

| |
|--|
| A Notification received from HHS regarding Risk Adjustment Payable; original estimate reversed |
| B Notification of Risk adjustment Payable from HHS |
| C Revisions to prior year estimate |
| D |
| F |
| G |

Notes to Financial Statements

4. Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

| | Accrued During the Prior Year on Business Written Before December 31 of the Prior Year | | Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year | | Differences | | Adjustments | | Unsettled Balances as of the Reporting Date | | |
|---|--|-----------|--|-----------|--|--|------------------------|------------------------|--|--|-----------|
| | | | | | Prior Year Accrued Less Payments (Col 1 - 3) | Prior Year Accrued Less Payments (Col 2 - 4) | To Prior Year Balances | To Prior Year Balances | Cumulative Balance from Prior Years (Col 1 - 3 +7) | Cumulative Balance from Prior Years (Col 2 - 4 +8) | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | | 9 |
| | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Ref | Receivable | (Payable) |
| 2014 Program Benefit Year Risk Corridor | 1,061,336 | | | | 1,061,336 | | | | | 1,061,336 | |
| 2015 Program Benefit Year Risk Corridor | | | | | | | | | | | |

5. ACA Risk Corridor Receivable as of Reporting Date:

| | Estimated Amount to be filed or Final Amount Filed with CMS | Non-Accrued Amounts for Impairment of Other Reasons | Amounts received from CMS | Asset Balance (Gross of Non-admissions) (1-2-3) | Non-admitted Amount | Net Admitted Asset (4-5) |
|-------|---|---|---------------------------|---|---------------------|--------------------------|
| 2014 | 4,211,651 | 2,619,647 | 530,668 | 1,061,336 | 1,061,336 | |
| 2015 | 19,389,476 | 19,389,476 | | | | |
| 2016 | | | | | | |
| Total | 23,601,127 | 22,009,123 | 530,668 | 1,061,336 | 1,061,336 | |

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2016 were \$17,249,552 for Claims and Claims Adjustment Expense. As of December 31, 2017, \$20,595,054 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$147,009 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$3,492,511 unfavorable (favorable) prior-year development since December 31, 2016 to December 31, 2017. The increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

The Company did not have any significant changes in methodologies or assumptions used in the calculation of the liability for unpaid losses or loss adjustment expenses.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

None.

Notes to Financial Statements

28. Health Care Receivables

a. Pharmaceutical Rebate Receivables –

| Quarter | Estimated Pharmacy Rebates as Reported on Financial Statements | Pharmacy Rebates as Billed or Otherwise Confirmed | Actual Rebates Received Within 90 Days of Billing | Actual Rebates Received Within 91 to 180 Days of Billing | Actual Rebates Received More Than 180 Days After Billing |
|------------|--|---|---|--|--|
| 12/31/2017 | 120,000 | | 1,433,334 | | |
| 09/30/2017 | 705,033 | | 2,704,789 | | |
| 06/30/2017 | 2,275,000 | | 142,047 | | |
| 03/31/2017 | 1,549,848 | | 148,126 | | 923,188 |
| 12/31/2016 | 1,846,280 | | 101,415 | | 326,263 |
| 09/30/2016 | 1,212,015 | | 98,046 | 518,143 | |
| 06/30/2016 | 400,000 | | | | 495,978 |
| 03/31/2016 | 699,727 | | 256,250 | 97,034 | 317,300 |
| 12/31/2015 | 0 | | | 560,115 | |
| 09/30/2015 | 0 | | 508,342 | | |
| 06/30/2015 | 0 | | 346,852 | | |
| 03/31/2015 | | | 1,836 | | |

B. Risk Sharing Receivables - None

29. Participating Policies

None.

30. Premium Deficiency Reserves

| | |
|--|-------------------|
| 1. Liability carried for premium deficiency reserves | \$ -0- |
| 2. Date of the most recent evaluation of this liability | <u>05/10/2018</u> |
| 3. Was anticipated investment income utilized in the calculation? (Yes / No) | <u>No</u> |

31. Anticipated Salvage and Subrogation

No Material Change

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[] No[X]
- 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. 09/30/2017
- 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.
- 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).
- 3.4 By what department or departments?
Office of Superintendent of Insurance - State of New Mexico
- 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, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

| 1 Nationality | 2 Type of Entity |
|------------------|---------------------|
| | |

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

| 1 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 FDIC | 6 SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | No | No | No | No |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Larson & Company PC, 9065 S 1300 E, Salt Lake City, UT 84094
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Mary van der Heijde, FSA, MAAA, Milliman, 1400 Wewatta St, Ste 300, Denver CO 80202-5549

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved 0
 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES 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 [] N/A [X]
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being 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 \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]
- 24.02 If no, give full and complete information, relating thereto
 Statutory Pledge
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 - 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 - 24.103 Total payable for securities lending reported on the liability page. \$ 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
 - 25.22 Subject to reverse repurchase agreements \$ 0
 - 25.23 Subject to dollar repurchase agreements \$ 0
 - 25.24 Subject to reverse dollar repurchase agreements \$ 0
 - 25.25 Placed under option agreements \$ 0
 - 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ 0
 - 25.27 FHLB Capital Stock \$ 0
 - 25.28 On deposit with states \$ 416,576
 - 25.29 On deposit with other regulatory bodies \$ 0
 - 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ 0
 - 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 0
 - 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

| 1 Nature of Restriction | 2 Description | 3 Amount |
|----------------------------|------------------|-------------|
| | | |

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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

| 1 Name of Custodian(s) | 2 Custodian's Address |
|---------------------------|---|
| Bank of Albuquerque | 201 Third Street NW Suite 1400 Albuquerque NM 87102 |

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

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

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

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

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

| 1 Name of Firm or Individual | 2 Affiliation |
|---|------------------|
| AAM Company LLC, 30 Monroe St, Chicago IL 60603 | U |

- 28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes[X] No[]
- 28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[X] No[]
- 28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

| 1 Central Registration Depository Number | 2 Name of Firm or Individual | 3 Legal Entity Identifier (LEI) | 4 Registered With | 5 Investment Management Agreement (IMA) Filed |
|--|---------------------------------|---|-------------------------|---|
| 109875 | AAM Company LLC | 549300DSCEIV5W3U963 | SEC | NO |

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

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

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

| | 1 Statement (Admitted) Value | 2 Fair Value | 3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|-----------------------------|------------------------------------|--------------------|--|
| 30.1 Bonds | 10,210,379 | 10,118,897 | (91,482) |
| 30.2 Preferred stocks | | | |
| 30.3 Totals | 10,210,379 | 10,118,897 | (91,482) |

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

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

Yes[X] No []

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

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

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

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

Yes[X] No []

32.2 If no, list exceptions:

33. By self-designation 5*GI securities, the reporting entity is certifying the following elements for 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?

\$ 1,893,857

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

| 1 Name | 2 Amount Paid |
|---------------------------|------------------|
| Pepper Hamilton LLP | 596,751 |

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

\$ 0

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

GENERAL INTERROGATORIES (Continued)

| 1 Name | 2 Amount Paid |
|-----------|------------------|
| | |

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
- 1.2 If yes, indicate premium earned on U.S. business only: \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies - Most current three years:
- 1.61 TOTAL Premium earned \$ 0
- 1.62 TOTAL Incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 TOTAL Premium earned \$ 0
- 1.65 TOTAL Incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies - Most current three years:
- 1.71 TOTAL Premium earned \$ 0
- 1.72 TOTAL Incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 TOTAL Premium earned \$ 0
- 1.75 TOTAL Incurred claims \$ 0
- 1.76 Number of covered lives 0

2. Health Test

| | 1 Current Year | 2 Prior Year |
|-------------------------------------|-------------------|-----------------|
| 2.1 Premium Numerator | 145,169,895 | 152,886,390 |
| 2.2 Premium Denominator | 145,169,895 | 152,886,390 |
| 2.3 Premium Ratio (2.1 / 2.2) | 1.000 | 1.000 |
| 2.4 Reserve Numerator | 24,634,904 | 16,712,057 |
| 2.5 Reserve Denominator | 24,634,904 | 16,712,057 |
| 2.6 Reserve Ratio (2.4 / 2.5) | 1.000 | 1.000 |

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes No
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes No
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes No N/A
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes No
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 322,500
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
All NMHC provider contracts contain hold harmless provisions
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes No
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 8,841
- 8.2 Number of providers at end of reporting year 9,806
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes No
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 540,000
- 10.22 Amount actually paid for year bonuses \$ 195,000
- 10.23 Maximum amount payable withholds \$ 0
- 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes No
- 11.13 An Individual Practice Association (IPA), or, Yes No
- 11.14 A Mixed Model (combination of above)? Yes No
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.
New Mexico
- 11.4 If yes, show the amount required. \$ 18,927,027
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 11.6 If the amount is calculated, show the calculation.
300% of RBC

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

| 1 Name of Service Area |
|---------------------------|
| New Mexico |

- 13.1 Do you act as a custodian for health savings accounts? Yes No
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes No
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ 0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers? Yes No N/A

GENERAL INTERROGATORIES (Continued)

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

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

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

| | | |
|------------------------------|----------|---|
| 15.1 Direct Premium Written | \$ | 0 |
| 15.2 Total incurred claims | \$ | 0 |
| 15.2 Number of covered lives | | 0 |

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

FIVE-YEAR HISTORICAL DATA

| | 1 2017 | 2 2016 | 3 2015 | 4 2014 | 5 2013 |
|--|-------------|--------------|--------------|-------------|--------------|
| BALANCE SHEET (Pages 2 and 3) | | | | | |
| 1. TOTAL Admitted Assets (Page 2, Line 28) | 50,983,198 | 36,849,953 | 61,014,681 | 58,072,037 | 47,931,283 |
| 2. TOTAL Liabilities (Page 3, Line 24) | 41,743,116 | 24,736,950 | 29,631,146 | 34,887,986 | 20,160,682 |
| 3. Statutory minimum capital and surplus requirement | 18,927,027 | 16,931,889 | 12,105,237 | 6,066,678 | 59,529 |
| 4. TOTAL Capital and Surplus (Page 3, Line 33) | 9,240,083 | 12,113,004 | 31,383,537 | 23,184,052 | 27,770,601 |
| INCOME STATEMENT (Page 4) | | | | | |
| 5. TOTAL Revenues (Line 8) | 162,206,517 | 152,978,843 | 96,217,856 | 29,865,642 | |
| 6. TOTAL Medical and Hospital Expenses (Line 18) | 125,219,199 | 130,957,455 | 87,797,140 | 22,294,925 | |
| 7. Claims adjustment expenses (Line 20) | 12,957,089 | 8,598,084 | 7,508,057 | 2,648,493 | |
| 8. TOTAL Administrative Expenses (Line 21) | 28,704,839 | 32,149,981 | 27,055,589 | 14,576,009 | 6,596,383 |
| 9. Net underwriting gain (loss) (Line 24) | (4,674,610) | (18,726,677) | (23,480,343) | (4,406,170) | (14,506,585) |
| 10. Net investment gain (loss) (Line 27) | 269,055 | 844,972 | 480,806 | 114,896 | 19,347 |
| 11. TOTAL Other Income (Lines 28 plus 29) | | | | | |
| 12. Net income or (loss) (Line 32) | (4,405,555) | (17,881,705) | (22,999,537) | (4,291,274) | (14,487,238) |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | 3,168,865 | (30,047,854) | (9,378,294) | (5,131,400) | (6,283,631) |
| RISK-BASED CAPITAL ANALYSIS | | | | | |
| 14. TOTAL Adjusted Capital | 9,240,083 | 12,113,004 | 31,383,537 | 23,184,052 | 27,770,601 |
| 15. Authorized control level risk-based capital | 6,309,009 | 5,643,963 | 4,035,079 | 2,022,226 | 19,843 |
| ENROLLMENT (Exhibit 1) | | | | | |
| 16. TOTAL Members at End of Period (Column 5, Line 7) | 38,626 | 42,924 | 34,410 | 14,297 | |
| 17. TOTAL Members Months (Column 6, Line 7) | 477,754 | 518,933 | 367,037 | 99,732 | |
| OPERATING PERCENTAGE (Page 4) | | | | | |
| (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0 | | | | | |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) | 86.2 | 85.6 | 91.2 | 74.7 | |
| 20. Cost containment expenses | 4.6 | 1.7 | 1.8 | 1.9 | |
| 21. Other claims adjustment expenses | 4.3 | 3.9 | 6.0 | 7.0 | |
| 22. TOTAL Underwriting Deductions (Line 23) | 114.9 | 112.2 | 124.4 | 114.8 | |
| 23. TOTAL Underwriting Gain (Loss) (Line 24) | (3.2) | (12.2) | (24.4) | (14.8) | |
| UNPAID CLAIMS ANALYSIS | | | | | |
| (U&I Exhibit, Part 2B) | | | | | |
| 24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) | 20,204,568 | 12,488,086 | 4,598,650 | | |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] | 14,454,395 | 16,446,674 | 6,524,343 | | |
| INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) | | | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) | | | | | |
| 29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) | | | | | |
| 30. Affiliated mortgage loans on real estate | | | | | |
| 31. All other affiliated | | | | | |
| 32. TOTAL of Above Lines 26 to 31 | | | | | |
| 33. TOTAL Investment in Parent Included in Lines 26 to 31 above | | | | | |

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

If no, please explain:



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

BUSINESS IN THE STATE OF **NEW MEXICO** DURING THE YEAR

NAIC Group Code

NAIC Company Code 15011

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefits Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|---|-------------|------------------------------------|------------|--------------------------|------------------|------------------|---|---------------------------|-------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| TOTAL Members at end of: | | | | | | | | | | |
| 1. Prior Year | 42,924 | 22,961 | 19,963 | | | | | | | |
| 2. First Quarter | 40,666 | 18,890 | 21,776 | | | | | | | |
| 3. Second Quarter | 40,118 | 17,987 | 22,131 | | | | | | | |
| 4. Third Quarter | 39,391 | 17,288 | 22,103 | | | | | | | |
| 5. Current Year | 38,626 | 16,026 | 22,600 | | | | | | | |
| 6. Current Year Member Months | 477,754 | 213,830 | 263,924 | | | | | | | |
| TOTAL Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 299,302 | 148,057 | 151,245 | | | | | | | |
| 8. Non-Physician | 57,003 | 28,146 | 28,857 | | | | | | | |
| 9. TOTAL | 356,305 | 176,203 | 180,102 | | | | | | | |
| 10. Hospital Patient Days Incurred | 7,502 | 3,592 | 3,910 | | | | | | | |
| 11. Number of Inpatient Admissions | 1,725 | 766 | 959 | | | | | | | |
| 12. Health Premiums Written (b) | 160,083,898 | 77,612,183 | 82,471,715 | | | | | | | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 160,125,738 | 77,635,706 | 82,490,032 | | | | | | | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 138,500,413 | 69,285,300 | 69,215,113 | | | | | | | |
| 18. Amount Incurred for Provision of Health Care Services | 144,354,912 | 70,901,062 | 73,453,850 | | | | | | | |

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

NAIC Group Code

BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR

NAIC Company Code 15011

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefits Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|---|-------------|------------------------------------|------------|--------------------------|------------------|------------------|---|---------------------------|-------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| TOTAL Members at end of: | | | | | | | | | | |
| 1. Prior Year | 42,924 | 22,961 | 19,963 | | | | | | | |
| 2. First Quarter | 40,666 | 18,890 | 21,776 | | | | | | | |
| 3. Second Quarter | 40,118 | 17,987 | 22,131 | | | | | | | |
| 4. Third Quarter | 39,391 | 17,288 | 22,103 | | | | | | | |
| 5. Current Year | 38,626 | 16,026 | 22,600 | | | | | | | |
| 6. Current Year Member Months | 477,754 | 213,830 | 263,924 | | | | | | | |
| TOTAL Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 299,302 | 148,057 | 151,245 | | | | | | | |
| 8. Non-Physician | 57,003 | 28,146 | 28,857 | | | | | | | |
| 9. TOTAL | 356,305 | 176,203 | 180,102 | | | | | | | |
| 10. Hospital Patient Days Incurred | 7,502 | 3,592 | 3,910 | | | | | | | |
| 11. Number of Inpatient Admissions | 1,725 | 766 | 959 | | | | | | | |
| 12. Health Premiums Written (b) | 160,083,898 | 77,612,183 | 82,471,715 | | | | | | | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 160,125,738 | 77,635,706 | 82,490,032 | | | | | | | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 138,500,413 | 69,285,300 | 69,215,113 | | | | | | | |
| 18. Amount Incurred for Provision of Health Care Services | 144,354,912 | 70,901,062 | 73,453,850 | | | | | | | |

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0

30 Grand Total

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|--|--------------|-------------------|-------------------|-----------------------------|-----------------------------------|----------|----------------------|--|--|------------------------------------|---|
| NAIC Company Code | ID Number | Effective Date | Name of Reinsured | Domiciliary Jurisdiction | Type of Reinsurance Assumed | Premiums | Unearned Premiums | Reserve Liability Other Than for Unearned Premiums | Reinsurance Payable on Paid and Unpaid Losses | Modified Coinsurance Reserve | Funds Withheld Under Coinsurance |
| NONE | | | | | | | | | | | |
| 9999999 Total (Sum of 0799999 and 1099999) | | | | | | | | | | | |

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

| 1 NAIC Company Code | 2 ID Number | 3 Effective Date | 4 Name of Company | 5 Domiciliary Jurisdiction | 6 Paid Losses | 7 Unpaid Losses |
|---|-------------------|------------------------|---|----------------------------------|------------------|--------------------|
| 0699999 Subtotal - Life and Annuity - Affiliates - Non-U.S. - Total | | | | | | |
| 0799999 Total - Life and Annuity - Affiliates | | | | | | |
| 1199999 Total - Life and Annuity | | | | | | |
| 1499999 Subtotal - Accident and Health - Affiliates - U.S. - Total | | | | | | |
| 1799999 Subtotal - Accident and Health - Affiliates - Non-U.S. - Total | | | | | | |
| 1899999 Total - Accident and Health - Affiliates | | | | | | |
| Accident and Health - Non-Affiliates - U.S. Non-Affiliates | | | | | | |
| 11835 | 04-1590940 | 01/01/2017 | PARTNERRE AMER INS CO | DE | 5,859,643 | |
| 80659 | 38-0397420 | 01/01/2017 | US BUSINESS OF CANADA LIFE ASSUR CO | MI | 8,990,556 | 3,093,532 |
| 00000 | AA-9990032 | 01/01/2016 | US Dept of Hlth & Human Serv | DC | 553,305 | |
| 1999999 Subtotal - Accident and Health - Non-Affiliates - U.S. Non-Affiliates | | | | | | |
| 2199999 Total - Accident and Health - Non-Affiliates | | | | | | |
| 2299999 Total - Accident and Health | | | | | | |
| 2399999 Total U.S. (Sum of 0399999, 0899999, 1499999 and 1999999) | | | | | | |
| 2499999 Total Non-U.S. (Sum of 0699999, 0999999, 1799999 and 2099999) | | | | | | |
| 9999999 Total (Sum of 1199999 and 2299999) | | | | | | |

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

| 1 NAIC Company Code | 2 ID Number | 3 Effective Date | 4 Name of Company | 5 Domiciliary Jurisdiction | 6 Type of Reinsurance Ceded | 7 Type of Business Ceded | 8 Premiums | 9 Unearned Premiums (Estimated) | 10 Reserve Credit Taken Other than for Unearned Premiums | Outstanding Surplus Relief | | 13 Modified Coinsurance Reserve | 14 Funds Withheld Under Coinsurance |
|---|-------------------|------------------------|-------------------------------------|----------------------------------|--------------------------------------|-----------------------------------|---------------|--|---|----------------------------|---------------------|--|---|
| | | | | | | | | | | 11 Current Year | 12 Prior Year | | |
| 0699999 Subtotal - General Account - Authorized - Affiliates - Non-U.S. - Total | | | | | | | | | | | | | |
| 0799999 Total - General Account - Authorized - Affiliates | | | | | | | | | | | | | |
| General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates | | | | | | | | | | | | | |
| 11835 | 04-1590940 | 01/01/2017 | PARTNERRE AMER INS CO | DE | SSL/A/I | CMM | 1,879,791 | | | | | | |
| 11835 | 04-1590940 | 01/01/2017 | PARTNERRE AMER INS CO | DE | SSL/A/G | CMM | 2,028,530 | | | | | | |
| 80659 | 38-0397420 | 01/01/2017 | US BUSINESS OF CANADA LIFE ASSUR CO | MI | QA/A/G | CMM | 11,005,681 | | | | | | |
| 0899999 Subtotal - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates | | | | | | | | | | | | | |
| 1099999 Total - General Account - Authorized - Non-Affiliates | | | | | | | | | | | | | |
| 1199999 Total - General Account Authorized | | | | | | | | | | | | | |
| 1499999 Subtotal - General Account - Unauthorized - Affiliates - U.S. - Total | | | | | | | | | | | | | |
| 1799999 Subtotal - General Account - Unauthorized - Affiliates - Non-U.S. - Total | | | | | | | | | | | | | |
| 1899999 Total - General Account - Unauthorized - Affiliates | | | | | | | | | | | | | |
| 2299999 Total - General Account - Unauthorized | | | | | | | | | | | | | |
| 2599999 Subtotal - General Account - Certified - Affiliates - U.S. - Total | | | | | | | | | | | | | |
| 2899999 Subtotal - General Account - Certified - Affiliates - Non-U.S. - Total | | | | | | | | | | | | | |
| 2999999 Total - General Account - Certified - Affiliates | | | | | | | | | | | | | |
| 3399999 Total - General Account - Certified | | | | | | | | | | | | | |
| 3499999 Total - General Account - Authorized, Unauthorized and Certified | | | | | | | | | | | | | |
| 3799999 Subtotal - Separate Accounts - Authorized - Affiliates - U.S. - Total | | | | | | | | | | | | | |
| 4099999 Subtotal - Separate Accounts - Authorized - Affiliates - Non-U.S. - Total | | | | | | | | | | | | | |
| 4199999 Total - Separate Accounts - Authorized - Affiliates | | | | | | | | | | | | | |
| 4599999 Total - Separate Accounts - Authorized | | | | | | | | | | | | | |
| 4899999 Subtotal - Separate Accounts - Unauthorized - Affiliates - U.S. - Total | | | | | | | | | | | | | |
| 5199999 Subtotal - Separate Accounts - Unauthorized - Affiliates - Non-U.S. - Total | | | | | | | | | | | | | |
| 5299999 Total - Separate Accounts - Unauthorized - Affiliates | | | | | | | | | | | | | |
| 5599999 Total - Separate Accounts - Unauthorized - Non-Affiliates | | | | | | | | | | | | | |
| 5699999 Total - Separate Accounts - Unauthorized | | | | | | | | | | | | | |
| 5999999 Subtotal - Separate Accounts - Certified - Affiliates - U.S. - Total | | | | | | | | | | | | | |
| 6299999 Subtotal - Separate Accounts - Certified - Affiliates - Non-U.S. - Total | | | | | | | | | | | | | |
| 6399999 Total - Separate Accounts - Certified - Affiliates | | | | | | | | | | | | | |
| 6699999 Total - Separate Accounts - Certified - Non-Affiliates | | | | | | | | | | | | | |
| 6799999 Total - Separate Accounts - Certified | | | | | | | | | | | | | |
| 6899999 Total - Separate Accounts - Authorized, Unauthorized and Certified | | | | | | | | | | | | | |
| 6999999 Total U.S. (Sum of 0399999, 0899999, 1499999, 1999999, 2599999, 3099999, 3799999, 4299999, 4899999, 5399999, 5999999 and 6499999) | | | | | | | | | | | | | |
| 7099999 Total Non-U.S. (Sum of 0699999, 0999999, 1799999, 2099999, 2899999, 3199999, 4099999, 4399999, 5199999, 5499999, 6299999 and 6599999) | | | | | | | | | | | | | |
| 9999999 Total (Sum of 3499999 and 6899999) | | | | | | | | | | | | | |

34 Schedule S - Part 4 NONE

35 Schedule S - Part 5 NONE

SCHEDULE S - PART 6
Five-Year Exhibit of Reinsurance Ceded Business
(\$000 Omitted)

| | 1 2017 | 2 2016 | 3 2015 | 4 2014 | 5 2013 |
|--|-----------|-----------|-----------|-----------|-----------|
| A. OPERATIONS ITEMS | | | | | |
| 1. Premiums | 14,914 | 3,225 | 3,332 | 1,111 | |
| 2. Title XVIII-Medicare | | | | | |
| 3. Title XIX - Medicaid | | | | | |
| 4. Commissions and reinsurance expense allowance | | | | | |
| 5. TOTAL Hospital and Medical Expenses | 19,136 | 5,433 | 8,569 | | |
| B. BALANCE SHEET ITEMS | | | | | |
| 6. Premiums receivable | | | | | |
| 7. Claims payable | 3,093 | 1,446 | 969 | | |
| 8. Reinsurance recoverable on paid losses | 15,404 | 3,820 | 5,948 | 1,785 | |
| 9. Experience rating refunds due or unpaid | | | | | |
| 10. Commissions and reinsurance expense allowances due | | | | | |
| 11. Unauthorized reinsurance offset | | | | | |
| 12. Offset for reinsurance with Certified Reinsurers | | | | | |
| C. UNAUTHORIZED REINSURANCE | | | | | |
| (DEPOSITS BY AND FUNDS WITHHELD FROM) | | | | | |
| 13. Funds deposited by and withheld from (F) | | | | | |
| 14. Letters of credit (L) | | | | | |
| 15. Trust agreements (T) | | | | | |
| 16. Other (O) | | | | | |
| D. REINSURANCE WITH CERTIFIED REINSURERS | | | | | |
| (DEPOSITS BY AND FUNDS WITHHELD FROM) | | | | | |
| 17. Multiple Beneficiary Trust | | | | | |
| 18. Funds deposited by and withheld from (F) | | | | | |
| 19. Letters of credit (L) | | | | | |
| 20. Trust agreements (T) | | | | | |
| 21. Other (O) | | | | | |

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

| | 1 As Reported (net of ceded) | 2 Restatement Adjustments | 3 Restated (gross of ceded) |
|---|------------------------------------|---------------------------------|-----------------------------------|
| ASSETS (Page 2, Col. 3) | | | |
| 1. Cash and invested assets (Line 12) | 17,688,588 | | 17,688,588 |
| 2. Accident and health premiums due and unpaid (Line 15) | 2,528,424 | | 2,528,424 |
| 3. Amounts recoverable from reinsurers (Line 16.1) | 15,403,503 | (15,403,503) | |
| 4. Net credit for ceded reinsurance | X X X | 5,127,786 | 5,127,786 |
| 5. All other admitted assets (Balance) | 15,362,683 | | 15,362,683 |
| 6. TOTAL Assets (Line 28) | 50,983,198 | (10,275,717) | 40,707,481 |
| LIABILITIES, CAPITAL AND SURPLUS (Page 3) | | | |
| 7. Claims unpaid (Line 1) | 20,046,214 | 3,093,532 | 23,139,746 |
| 8. Accrued medical incentive pool and bonus payments (Line 2) | 227,000 | | 227,000 |
| 9. Premiums received in advance (Line 8) | 1,037,084 | | 1,037,084 |
| 10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount) | | | |
| 11. Reinsurance in unauthorized companies (Line 20 minus inset amount) | | | |
| 12. Reinsurance with Certified Reinsurers (Line 20 inset amount) | | | |
| 13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount) | | | |
| 14. All other liabilities (Balance) | 20,432,818 | (13,369,250) | 7,063,568 |
| 15. TOTAL Liabilities (Line 24) | 41,743,116 | (10,275,718) | 31,467,398 |
| 16. TOTAL Capital and Surplus (Line 33) | 9,240,083 | X X X | 9,240,083 |
| 17. TOTAL Liabilities, Capital and Surplus (Line 34) | 50,983,199 | (10,275,718) | 40,707,481 |
| NET CREDIT FOR CEDED REINSURANCE | | | |
| 18. Claims unpaid | 3,093,532 | | |
| 19. Accrued medical incentive pool | | | |
| 20. Premiums received in advance | | | |
| 21. Reinsurance recoverable on paid losses | 15,403,504 | | |
| 22. Other ceded reinsurance recoverables | | | |
| 23. TOTAL Ceded Reinsurance Recoverables | 18,497,036 | | |
| 24. Premiums receivable | | | |
| 25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers | | | |
| 26. Unauthorized reinsurance | | | |
| 27. Reinsurance with Certified Reinsurers | | | |
| 28. Funds held under reinsurance treaties with Certified Reinsurers | | | |
| 29. Other ceded reinsurance payables/offsets | 13,369,250 | | |
| 30. TOTAL Ceded Reinsurance Payables/Offsets | 13,369,250 | | |
| 31. TOTAL Net Credit for Ceded Reinsurance | 5,127,786 | | |

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

| | 1 | Direct Business Only | | | | | | | |
|--|---------------|----------------------------|----------------------|--------------------|---|--|-----------------------------|---------------------------|--------------------------|
| | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| State, Etc. | Active Status | Accident & Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Plan Premiums | Life & Annuity Premiums & Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit - Type Contracts |
| 1. Alabama (AL) | N | | | | | | | | |
| 2. Alaska (AK) | N | | | | | | | | |
| 3. Arizona (AZ) | N | | | | | | | | |
| 4. Arkansas (AR) | N | | | | | | | | |
| 5. California (CA) | N | | | | | | | | |
| 6. Colorado (CO) | N | | | | | | | | |
| 7. Connecticut (CT) | N | | | | | | | | |
| 8. Delaware (DE) | N | | | | | | | | |
| 9. District of Columbia (DC) | N | | | | | | | | |
| 10. Florida (FL) | N | | | | | | | | |
| 11. Georgia (GA) | N | | | | | | | | |
| 12. Hawaii (HI) | N | | | | | | | | |
| 13. Idaho (ID) | N | | | | | | | | |
| 14. Illinois (IL) | N | | | | | | | | |
| 15. Indiana (IN) | N | | | | | | | | |
| 16. Iowa (IA) | N | | | | | | | | |
| 17. Kansas (KS) | N | | | | | | | | |
| 18. Kentucky (KY) | N | | | | | | | | |
| 19. Louisiana (LA) | N | | | | | | | | |
| 20. Maine (ME) | N | | | | | | | | |
| 21. Maryland (MD) | N | | | | | | | | |
| 22. Massachusetts (MA) | N | | | | | | | | |
| 23. Michigan (MI) | N | | | | | | | | |
| 24. Minnesota (MN) | N | | | | | | | | |
| 25. Mississippi (MS) | N | | | | | | | | |
| 26. Missouri (MO) | N | | | | | | | | |
| 27. Montana (MT) | N | | | | | | | | |
| 28. Nebraska (NE) | N | | | | | | | | |
| 29. Nevada (NV) | N | | | | | | | | |
| 30. New Hampshire (NH) | N | | | | | | | | |
| 31. New Jersey (NJ) | N | | | | | | | | |
| 32. New Mexico (NM) | L | 160,083,898 | | | | | | 160,083,898 | |
| 33. New York (NY) | N | | | | | | | | |
| 34. North Carolina (NC) | L | | | | | | | | |
| 35. North Dakota (ND) | N | | | | | | | | |
| 36. Ohio (OH) | N | | | | | | | | |
| 37. Oklahoma (OK) | N | | | | | | | | |
| 38. Oregon (OR) | N | | | | | | | | |
| 39. Pennsylvania (PA) | N | | | | | | | | |
| 40. Rhode Island (RI) | N | | | | | | | | |
| 41. South Carolina (SC) | N | | | | | | | | |
| 42. South Dakota (SD) | N | | | | | | | | |
| 43. Tennessee (TN) | N | | | | | | | | |
| 44. Texas (TX) | N | | | | | | | | |
| 45. Utah (UT) | N | | | | | | | | |
| 46. Vermont (VT) | N | | | | | | | | |
| 47. Virginia (VA) | N | | | | | | | | |
| 48. Washington (WA) | N | | | | | | | | |
| 49. West Virginia (WV) | N | | | | | | | | |
| 50. Wisconsin (WI) | N | | | | | | | | |
| 51. Wyoming (WY) | N | | | | | | | | |
| 52. American Samoa (AS) | N | | | | | | | | |
| 53. Guam (GU) | N | | | | | | | | |
| 54. Puerto Rico (PR) | N | | | | | | | | |
| 55. U.S. Virgin Islands (VI) | N | | | | | | | | |
| 56. Northern Mariana Islands (MP) | N | | | | | | | | |
| 57. Canada (CAN) | N | | | | | | | | |
| 58. Aggregate other alien (OT) | X X X | | | | | | | | |
| 59. Subtotal | X X X | 160,083,898 | | | | | | 160,083,898 | |
| 60. Reporting entity contributions for Employee Benefit Plans | X X X | | | | | | | | |
| 61. TOTAL (Direct Business) | (a) - 2 | 160,083,898 | | | | | | 160,083,898 | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 58001 | X X X | | | | | | | | |
| 58002 | X X X | | | | | | | | |
| 58003 | X X X | | | | | | | | |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | | | | |
| 58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X | | | | | | | | |

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

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation by state, premiums by state, etc.: Situs of Contract

39 Schedule T - Part 2 - Interstate Compact - Exhibit of Premiums Written NONE

40 Schedule Y - Part 1 NONE

41 Schedule Y - Part 1A NONE

42 Schedule Y - Part 2 NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

- | | |
|---|-----|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? | Yes |
| 2. Will an actuarial opinion be filed by March 1? | Yes |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? | Yes |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? | Yes |

APRIL FILING

- | | |
|--|-----|
| 5. Will Management's Discussion and Analysis be filed by April 1? | Yes |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? | Yes |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? | Yes |

JUNE FILING

- | | |
|--|-----|
| 8. Will an audited financial report be filed by June 1? | Yes |
| 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | Yes |

AUGUST FILING

- | | |
|---|-----|
| 10. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? | Yes |
|---|-----|

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

- | | |
|--|----|
| 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? | No |
| 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? | No |
| 13. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? | No |
| 14. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 15. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 16. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? | No |
| 17. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? | No |
| 18. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? | No |
| 19. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? | No |

APRIL FILING

- | | |
|--|-----|
| 20. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? | No |
| 21. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? | No |
| 22. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? | Yes |
| 23. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1? | Yes |

AUGUST FILING

- | | |
|--|----|
| 24. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | No |
|--|----|

Explanation:

Bar Code:

Medicare Supplement Insurance Experience Exhibit



Health Life Supplement



Schedule SIS



Actuarial Opinion on Participating and Non-Participating Policies



Statement of Non-Guaranteed Elements for Exhibit 5



Medicare Part D Coverage Supplement



Approval for Relief related to five-year rotation for lead Audit Partner



Approval for Relief related to one-year cooling off period for inde. CPA



Approval for Relief related to Require. for Audit Committees



LTC Supplemental Interrogatories



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

Health Life Supplement - LHA Guaranty Association Reconciliation



15011201721100000

2017

Document Code: 211

Management's Report of Internal Control over Financial Reporting



15011201722300000

2017

Document Code: 223

OVERFLOW PAGE FOR WRITE-INS

ASSETS

| | Current Year | | | Prior Year |
|--|--------------|----------------------------|---|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols.1-2) | 4 Net Admitted Assets |
| 1197. Summary of remaining write-ins for Line 11 (Lines 1104 through 1196) | | | | |
| 2504. Gain on Sale of Assets | 10,000,000 | | 10,000,000 | |
| 2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596) | 10,000,000 | | 10,000,000 | |

EXHIBIT OF NONADMITTED ASSETS

| | 1 Current Year Total Nonadmitted Assets | 2 Prior Year Total Nonadmitted Assets | 3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
|--|---|---|---|
| 1197. Summary of remaining write-ins for Line 11 (Lines 1104 through 1196) | | | |
| 2504. | | | |
| 2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596) | | | |

SUMMARY INVESTMENT SCHEDULE

| Investment Categories | Gross Investment Holdings | | Admitted Assets as Reported in the Annual Statement | | | |
|---|---------------------------|-----------------|---|--|-----------------------------------|-----------------|
| | 1 Amount | 2 Percentage | 3 Amount | 4 Securities Lending Reinvested Collateral Amount | 5 Total (Col. 3 + 4) Amount | 6 Percentage |
| 1. Bonds: | | | | | | |
| 1.1 U.S. treasury securities | 1,390,271 | 7.860 | 1,390,271 | | 1,390,271 | 7.860 |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities): | | | | | | |
| 1.21 Issued by U.S. government agencies | | | | | | |
| 1.22 Issued by U.S. government sponsored agencies | | | | | | |
| 1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities) | | | | | | |
| 1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.: | | | | | | |
| 1.41 States, territories and possessions general obligations | | | | | | |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations | 400,015 | 2.261 | 400,015 | | 400,015 | 2.261 |
| 1.43 Revenue and assessment obligations | 1,529,567 | 8.647 | 1,529,567 | | 1,529,567 | 8.647 |
| 1.44 Industrial development and similar obligations | | | | | | |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS): | | | | | | |
| 1.51 Pass-through securities: | | | | | | |
| 1.511 Issued or Guaranteed by GNMA | | | | | | |
| 1.512 Issued or Guaranteed by FNMA and FHLMC | | | | | | |
| 1.513 All other | | | | | | |
| 1.52 CMOs and REMICs: | | | | | | |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA | 2,635,106 | 14.897 | 2,635,106 | | 2,635,106 | 14.897 |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | | | | | | |
| 1.523 All other | 730,604 | 4.130 | 730,604 | | 730,604 | 4.130 |
| 2. Other debt and other fixed income securities (excluding short term): | | | | | | |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) | 3,099,853 | 17.525 | 3,099,853 | | 3,099,853 | 17.525 |
| 2.2 Unaffiliated Non-U.S. securities (including Canada) | 424,964 | 2.402 | 424,964 | | 424,964 | 2.402 |
| 2.3 Affiliated securities | | | | | | |
| 3. Equity interests: | | | | | | |
| 3.1 Investments in mutual funds | | | | | | |
| 3.2 Preferred stocks: | | | | | | |
| 3.21 Affiliated | | | | | | |
| 3.22 Unaffiliated | | | | | | |
| 3.3 Publicly traded equity securities (excluding preferred stocks): | | | | | | |
| 3.31 Affiliated | | | | | | |
| 3.32 Unaffiliated | | | | | | |
| 3.4 Other equity securities: | | | | | | |
| 3.41 Affiliated | | | | | | |
| 3.42 Unaffiliated | | | | | | |
| 3.5 Other equity interests including tangible personal property under lease: | | | | | | |
| 3.51 Affiliated | | | | | | |
| 3.52 Unaffiliated | | | | | | |
| 4. Mortgage loans: | | | | | | |
| 4.1 Construction and land development | | | | | | |
| 4.2 Agricultural | | | | | | |
| 4.3 Single family residential properties | | | | | | |
| 4.4 Multifamily residential properties | | | | | | |
| 4.5 Commercial loans | | | | | | |
| 4.6 Mezzanine real estate loans | | | | | | |
| 5. Real estate investments: | | | | | | |
| 5.1 Property occupied by company | | | | | | |
| 5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt) | | | | | | |
| 5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt) | | | | | | |
| 6. Contract loans | | | | | | |
| 7. Derivatives | | | | | | |
| 8. Receivables for securities | | | | | | |
| 9. Securities Lending (Line 10, Asset Page reinvested collateral) | | | | X X X | X X X | X X X |
| 10. Cash, cash equivalents and short-term investments | 7,478,209 | 42.277 | 7,478,209 | | 7,478,209 | 42.277 |
| 11. Other invested assets | | | | | | |
| 12. TOTAL Invested assets | 17,688,588 | 100.000 | 17,688,588 | | 17,688,588 | 100.000 |

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

| | | |
|--|-------------|--|
| 1. Book/adjusted carrying value, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition (Part 2, Column 6) | | |
| 2.2 Additional investment made after acquisition (Part 2, Column 9) | | |
| 3. Current year change in encumbrances: | | |
| 3.1 TOTALS, Part 1, Column 13 | | |
| 3.2 TOTALS, Part 3, Column 11 | | |
| 4. TOTAL gain (loss) on disposals, Part 3, Column 18 | | |
| 5. Deduct amounts received on disposals, Part 3, Column 15 | | |
| 6. TOTAL foreign exchange change in book/adjusted | NONE | |
| 6.1 TOTALS, Part 1, Column 15 | | |
| 6.2 TOTALS, Part 3, Column 13 | | |
| 7. Deduct current year's other-than-temporary impairment recognized: | | |
| 7.1 TOTALS, Part 1, Column 12 | | |
| 7.2 TOTALS, Part 3, Column 10 | | |
| 8. Deduct current year's depreciation: | | |
| 8.1 TOTALS, Part 1, Column 11 | | |
| 8.2 TOTALS, Part 3, Column 9 | | |
| 9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) | | |
| 10. Deduct total nonadmitted amounts | | |
| 11. Statement value at end of current period (Lines 9 minus 10) | | |

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

| | | |
|---|-------------|--|
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition (Part 2, Column 7) | | |
| 2.2 Additional investment made after acquisition (Part 2, Column 8) | | |
| 3. Capitalized deferred interest and other: | | |
| 3.1 TOTALS, Part 1, Column 12 | | |
| 3.2 TOTALS, Part 3, Column 11 | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease): | | |
| 5.1 TOTALS, Part 1, Column 9 | | |
| 5.2 TOTALS, Part 3, Column 8 | | |
| 6. TOTAL gain (loss) on disposals, Part 3, Column 18 | | |
| 7. Deduct amounts received on disposals, Part 3, Column 15 | NONE | |
| 8. Deduct amortization of premium and mortgage interest | | |
| 9. TOTAL foreign exchange change in book value/recorded interest | | |
| 9.1 TOTALS, Part 1, Column 13 | | |
| 9.2 TOTALS, Part 3, Column 13 | | |
| 10. Deduct current year's other-than-temporary impairment recognized: | | |
| 10.1 TOTALS, Part 1, Column 11 | | |
| 10.2 TOTALS, Part 3, Column 10 | | |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | | |
| 12. TOTAL valuation allowance | | |
| 13. Subtotal (Lines 11 plus 12) | | |
| 14. Deduct total nonadmitted amounts | | |
| 15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14) | | |

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

| | | |
|--|-------------|--|
| 1. Book/adjusted carrying value, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition (Part 2, Column 8) | | |
| 2.2 Additional investment made after acquisition (Part 2, Column 9) | | |
| 3. Capitalized deferred interest and other: | | |
| 3.1 TOTALS, Part 1, Column 16 | | |
| 3.2 TOTALS, Part 3, Column 12 | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease): | | |
| 5.1 TOTALS, Part 1, Column 13 | | |
| 5.2 TOTALS, Part 3, Column 9 | | |
| 6. TOTAL gain (loss) on disposals, Part 3, Column 19 | NONE | |
| 7. Deduct amounts received on disposals, Part 3, Column 18 | | |
| 8. Deduct amortization of premium and depreciation | | |
| 9. TOTAL foreign exchange change in book/adjusted carrying value: | | |
| 9.1 TOTALS, Part 1, Column 17 | | |
| 9.2 TOTALS, Part 3, Column 14 | | |
| 10. Deduct current year's other-than-temporary impairment recognized: | | |
| 10.1 TOTALS, Part 1, Column 15 | | |
| 10.2 TOTALS, Part 3, Column 11 | | |
| 11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | | |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | | |

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

| | | |
|---|--|------------|
| 1. Book/adjusted carrying value, December 31 of prior year | | 21,056,789 |
| 2. Cost of bonds and stocks acquired, Part 3, Column 7 | | 3,343,608 |
| 3. Accrual of Discount | | 2,054 |
| 4. Unrealized valuation increase (decrease): | | |
| 4.1 Part 1, Column 12 | | |
| 4.2 Part 2, Section 1, Column 15 | | |
| 4.3 Part 2, Section 2, Column 13 | | |
| 4.4 Part 4, Column 11 | | |
| 5. TOTAL gain (loss) on disposals, Part 4, Column 19 | | (2,921) |
| 6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 | | 14,130,845 |
| 7. Deduct amortization of premium | | 58,306 |
| 8. TOTAL foreign exchange change in book/adjusted carrying value: | | |
| 8.1 Part 1, Column 15 | | |
| 8.2 Part 2, Section 1, Column 19 | | |
| 8.3 Part 2, Section 2, Column 16 | | |
| 8.4 Part 4, Column 15 | | |
| 9. Deduct current year's other-than-temporary impairment recognized: | | |
| 9.1 Part 1, Column 14 | | |
| 9.2 Part 2, Section 1, Column 17 | | |
| 9.3 Part 2, Section 2, Column 14 | | |
| 9.4 Part 4, Column 13 | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | | 10,210,379 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | | 10,210,379 |

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

| Description | | 1 Book/Adjusted Carrying Value | 2 Fair Value | 3 Actual Cost | 4 Par Value of Bonds |
|--|----------------------------------|--------------------------------------|-----------------|------------------|----------------------------|
| BONDS | | | | | |
| 1. Governments | United States | 1,574,824 | 1,560,904 | 1,575,980 | 1,569,056 |
| 2. (Including all obligations guaranteed by governments) | Canada | | | | |
| 3. | Other Countries | | | | |
| 4. | TOTALS | 1,574,824 | 1,560,904 | 1,575,980 | 1,569,056 |
| U.S. States, Territories and Possessions (Direct and guaranteed) | 5. TOTALS | | | | |
| U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed) | 6. TOTALS | 400,015 | 399,768 | 400,300 | 400,000 |
| U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions | 7. TOTALS | 4,164,673 | 4,095,713 | 4,181,751 | 4,082,582 |
| Industrial and Miscellaneous, SVO Identified Funds and Hybrid Securities (unaffiliated) | 8. United States | 3,645,904 | 3,637,425 | 3,676,227 | 3,617,505 |
| | 9. Canada | | | | |
| | 10. Other Countries | 424,964 | 425,088 | 424,074 | 425,000 |
| | 11. TOTALS | 4,070,868 | 4,062,513 | 4,100,301 | 4,042,505 |
| Parent, Subsidiaries and Affiliates | 12. TOTALS | | | | |
| | 13. TOTAL Bonds | 10,210,379 | 10,118,897 | 10,258,332 | 10,094,143 |
| PREFERRED STOCKS | | | | | |
| Industrial and Miscellaneous (unaffiliated) | 14. United States | | | | |
| | 15. Canada | | | | |
| | 16. Other Countries | | | | |
| | 17. TOTALS | | | | |
| Parent, Subsidiaries and Affiliates | 18. TOTALS | | | | |
| | 19. TOTAL Preferred Stocks | | | | |
| COMMON STOCKS | | | | | |
| Industrial and Miscellaneous (unaffiliated) | 20. United States | | | | |
| | 21. Canada | | | | |
| | 22. Other Countries | | | | |
| | 23. TOTALS | | | | |
| Parent, Subsidiaries and Affiliates | 24. TOTALS | | | | |
| | 25. TOTAL Common Stocks | | | | |
| | 26. TOTAL Stocks | | | | |
| | 27. TOTAL Bonds and Stocks | 10,210,379 | 10,118,897 | 10,258,332 | |

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|--|----------------------|-----------------------------------|-------------------------------------|--------------------------------------|------------------|------------------------|-----------------------|------------------------------------|--------------------------------------|----------------------------------|-----------------------------|----------------------------------|
| NAIC Designation | 1 Year or Less | Over 1 Year Through 5 Years | Over 5 Years Through 10 Years | Over 10 Years Through 20 Years | Over 20 Years | No Maturity Date | Total Current Year | Column 7 as a % of Line 10.7 | Total From Column 7 Prior Year | % From Column 8 Prior Year | Total Publicly Traded | Total Privately Placed (a) |
| 1. U.S. Governments | | | | | | | | | | | | |
| 1.1 NAIC 1 | 43,583 | 1,531,240 | | | | X X X | 1,574,824 | 15.42 | 4,510,637 | 19.27 | 1,574,824 | |
| 1.2 NAIC 2 | | | | | | X X X | | | | | | |
| 1.3 NAIC 3 | | | | | | X X X | | | | | | |
| 1.4 NAIC 4 | | | | | | X X X | | | | | | |
| 1.5 NAIC 5 | | | | | | X X X | | | | | | |
| 1.6 NAIC 6 | | | | | | X X X | | | | | | |
| 1.7 TOTALS | 43,583 | 1,531,240 | | | | X X X | 1,574,824 | 15.42 | 4,510,637 | 19.27 | 1,574,824 | |
| 2. All Other Governments | | | | | | | | | | | | |
| 2.1 NAIC 1 | | | | | | X X X | | | | | | |
| 2.2 NAIC 2 | | | | | | X X X | | | | | | |
| 2.3 NAIC 3 | | | | | | X X X | | | | | | |
| 2.4 NAIC 4 | | | | | | X X X | | | | | | |
| 2.5 NAIC 5 | | | | | | X X X | | | | | | |
| 2.6 NAIC 6 | | | | | | X X X | | | | | | |
| 2.7 TOTALS | | | | | | X X X | | | | | | |
| 3. U.S. States, Territories and Possessions, etc., Guaranteed | | | | | | | | | | | | |
| 3.1 NAIC 1 | | | | | | X X X | | | 150,000 | 0.64 | | |
| 3.2 NAIC 2 | | | | | | X X X | | | | | | |
| 3.3 NAIC 3 | | | | | | X X X | | | | | | |
| 3.4 NAIC 4 | | | | | | X X X | | | | | | |
| 3.5 NAIC 5 | | | | | | X X X | | | | | | |
| 3.6 NAIC 6 | | | | | | X X X | | | | | | |
| 3.7 TOTALS | | | | | | X X X | | | 150,000 | 0.64 | | |
| 4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed | | | | | | | | | | | | |
| 4.1 NAIC 1 | 400,015 | | | | | X X X | 400,015 | 3.92 | 400,107 | 1.71 | 400,015 | |
| 4.2 NAIC 2 | | | | | | X X X | | | | | | |
| 4.3 NAIC 3 | | | | | | X X X | | | | | | |
| 4.4 NAIC 4 | | | | | | X X X | | | | | | |
| 4.5 NAIC 5 | | | | | | X X X | | | | | | |
| 4.6 NAIC 6 | | | | | | X X X | | | | | | |
| 4.7 TOTALS | 400,015 | | | | | X X X | 400,015 | 3.92 | 400,107 | 1.71 | 400,015 | |
| 5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed | | | | | | | | | | | | |
| 5.1 NAIC 1 | 1,835,730 | 1,860,545 | 404,914 | 63,484 | | X X X | 4,164,673 | 40.79 | 5,963,061 | 25.48 | 4,164,673 | |
| 5.2 NAIC 2 | | | | | | X X X | | | | | | |
| 5.3 NAIC 3 | | | | | | X X X | | | | | | |
| 5.4 NAIC 4 | | | | | | X X X | | | | | | |
| 5.5 NAIC 5 | | | | | | X X X | | | | | | |
| 5.6 NAIC 6 | | | | | | X X X | | | | | | |
| 5.7 TOTALS | 1,835,730 | 1,860,545 | 404,914 | 63,484 | | X X X | 4,164,673 | 40.79 | 5,963,061 | 25.48 | 4,164,673 | |

S105

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|--|----------------------|-----------------------------------|-------------------------------------|--------------------------------------|------------------|------------------------|-----------------------|------------------------------------|--------------------------------------|----------------------------------|-----------------------------|----------------------------------|
| NAIC Designation | 1 Year or Less | Over 1 Year Through 5 Years | Over 5 Years Through 10 Years | Over 10 Years Through 20 Years | Over 20 Years | No Maturity Date | Total Current Year | Column 7 as a % of Line 10.7 | Total From Column 7 Prior Year | % From Column 8 Prior Year | Total Publicly Traded | Total Privately Placed (a) |
| 6. Industrial and Miscellaneous (unaffiliated) | | | | | | | | | | | | |
| 6.1 NAIC 1 | 424,155 | 2,280,023 | | | | X X X | 2,704,179 | 26.48 | 10,005,826 | 42.75 | 2,704,179 | |
| 6.2 NAIC 2 | 791,060 | 575,629 | | | | X X X | 1,366,689 | 13.39 | 2,376,676 | 10.15 | 1,366,689 | |
| 6.3 NAIC 3 | | | | | | X X X | | | | | | |
| 6.4 NAIC 4 | | | | | | X X X | | | | | | |
| 6.5 NAIC 5 | | | | | | X X X | | | | | | |
| 6.6 NAIC 6 | | | | | | X X X | | | | | | |
| 6.7 TOTALS | 1,215,215 | 2,855,652 | | | | X X X | 4,070,868 | 39.87 | 12,382,501 | 52.90 | 4,070,868 | |
| 7. Hybrid Securities | | | | | | | | | | | | |
| 7.1 NAIC 1 | | | | | | X X X | | | | | | |
| 7.2 NAIC 2 | | | | | | X X X | | | | | | |
| 7.3 NAIC 3 | | | | | | X X X | | | | | | |
| 7.4 NAIC 4 | | | | | | X X X | | | | | | |
| 7.5 NAIC 5 | | | | | | X X X | | | | | | |
| 7.6 NAIC 6 | | | | | | X X X | | | | | | |
| 7.7 TOTALS | | | | | | X X X | | | | | | |
| 8. Parent, Subsidiaries and Affiliates | | | | | | | | | | | | |
| 8.1 NAIC 1 | | | | | | X X X | | | | | | |
| 8.2 NAIC 2 | | | | | | X X X | | | | | | |
| 8.3 NAIC 3 | | | | | | X X X | | | | | | |
| 8.4 NAIC 4 | | | | | | X X X | | | | | | |
| 8.5 NAIC 5 | | | | | | X X X | | | | | | |
| 8.6 NAIC 6 | | | | | | X X X | | | | | | |
| 8.7 TOTALS | | | | | | X X X | | | | | | |
| 9. SVO Identified Funds | | | | | | | | | | | | |
| 9.1 NAIC 1 | X X X | X X X | X X X | X X X | X X X | | | | | | | |
| 9.2 NAIC 2 | X X X | X X X | X X X | X X X | X X X | | | | | | | |
| 9.3 NAIC 3 | X X X | X X X | X X X | X X X | X X X | | | | | | | |
| 9.4 NAIC 4 | X X X | X X X | X X X | X X X | X X X | | | | | | | |
| 9.5 NAIC 5 | X X X | X X X | X X X | X X X | X X X | | | | | | | |
| 9.6 NAIC 6 | X X X | X X X | X X X | X X X | X X X | | | | | | | |
| 9.7 TOTALS | X X X | X X X | X X X | X X X | X X X | | | | | | | |

901S

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation | 1 1 Year or Less | 2 Over 1 Year Through 5 Years | 3 Over 5 Years Through 10 Years | 4 Over 10 Years Through 20 Years | 5 Over 20 Years | 6 No Maturity Date | 7 Total Current Year | 8 Column 7 as a % of Line 10.7 | 9 Total From Column 7 Prior Year | 10 % From Column 8 Prior Year | 11 Total Publicly Traded | 12 Total Privately Placed (a) |
|--|---------------------------|--|--|---|-----------------------|-----------------------------|----------------------------|---|---|--|-----------------------------------|--|
| 10. Total Bonds Current Year | | | | | | | | | | | | |
| 10.1 NAIC 1 | (d) 2,703,484 | 5,671,808 | 404,914 | 63,484 | | | 8,843,690 | 86.61 | X X X | X X X | 8,843,690 | |
| 10.2 NAIC 2 | (d) 791,060 | 575,629 | | | | | 1,366,689 | 13.39 | X X X | X X X | 1,366,689 | |
| 10.3 NAIC 3 | (d) | | | | | | | | X X X | X X X | | |
| 10.4 NAIC 4 | (d) | | | | | | | | X X X | X X X | | |
| 10.5 NAIC 5 | (d) | | | | | | (c) | | X X X | X X X | | |
| 10.6 NAIC 6 | (d) | | | | | | (c) | | X X X | X X X | | |
| 10.7 TOTALS | 3,494,544 | 6,247,437 | 404,914 | 63,484 | | | (b) 10,210,379 | 100.00 | X X X | X X X | 10,210,379 | |
| 10.8 Line 10.7 as a % of Column 7 | 34.23 | 61.19 | 3.97 | 0.62 | | | 100.00 | X X X | X X X | X X X | 100.00 | |
| 11. Total Bonds Prior Year | | | | | | | | | | | | |
| 11.1 NAIC 1 | 7,971,871 | 12,156,578 | 744,543 | 156,639 | | | X X X | X X X | 21,029,630 | 89.85 | 21,029,630 | |
| 11.2 NAIC 2 | 499,919 | 1,876,757 | | | | | X X X | X X X | 2,376,676 | 10.15 | 2,376,676 | |
| 11.3 NAIC 3 | | | | | | | X X X | X X X | | | | |
| 11.4 NAIC 4 | | | | | | | X X X | X X X | | | | |
| 11.5 NAIC 5 | | | | | | | X X X | X X X | (c) | | | |
| 11.6 NAIC 6 | | | | | | | X X X | X X X | (c) | | | |
| 11.7 TOTALS | 8,471,789 | 14,033,335 | 744,543 | 156,639 | | | X X X | X X X | (b) 23,406,306 | 100.00 | 23,406,306 | |
| 11.8 Line 11.7 as a % of Col. 9 | 36.19 | 59.96 | 3.18 | 0.67 | | | X X X | X X X | 100.00 | X X X | 100.00 | |
| 12. Total Publicly Traded Bonds | | | | | | | | | | | | |
| 12.1 NAIC 1 | 2,703,484 | 5,671,808 | 404,914 | 63,484 | | | 8,843,690 | 86.61 | 21,029,630 | 89.85 | 8,843,690 | X X X |
| 12.2 NAIC 2 | 791,060 | 575,629 | | | | | 1,366,689 | 13.39 | 2,376,676 | 10.15 | 1,366,689 | X X X |
| 12.3 NAIC 3 | | | | | | | | | | | | X X X |
| 12.4 NAIC 4 | | | | | | | | | | | | X X X |
| 12.5 NAIC 5 | | | | | | | | | | | | X X X |
| 12.6 NAIC 6 | | | | | | | | | | | | X X X |
| 12.7 TOTALS | 3,494,544 | 6,247,437 | 404,914 | 63,484 | | | 10,210,379 | 100.00 | 23,406,306 | 100.00 | 10,210,379 | X X X |
| 12.8 Line 12.7 as a % of Col. 7 | 34.23 | 61.19 | 3.97 | 0.62 | | | 100.00 | X X X | X X X | X X X | 100.00 | X X X |
| 12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10 | 34.23 | 61.19 | 3.97 | 0.62 | | | 100.00 | X X X | X X X | X X X | 100.00 | X X X |
| 13. Total Privately Placed Bonds | | | | | | | | | | | | |
| 13.1 NAIC 1 | | | | | | | | | | | X X X | |
| 13.2 NAIC 2 | | | | | | | | | | | X X X | |
| 13.3 NAIC 3 | | | | | | | | | | | X X X | |
| 13.4 NAIC 4 | | | | | | | | | | | X X X | |
| 13.5 NAIC 5 | | | | | | | | | | | X X X | |
| 13.6 NAIC 6 | | | | | | | | | | | X X X | |
| 13.7 TOTALS | | | | | | | | | | | X X X | |
| 13.8 Line 13.7 as a % of Col. 7 | | | | | | | | X X X | X X X | X X X | X X X | |
| 13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10 | | | | | | | | X X X | X X X | X X X | X X X | |

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(a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5* designations and \$.....0 current year, \$.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

| Distribution by Type | | 1 1 Year or Less | 2 Over 1 Year Through 5 Years | 3 Over 5 Years Through 10 Years | 4 Over 10 Years Through 20 Years | 5 Over 20 Years | 6 No Maturity Date | 7 Total Current Year | 8 Column 7 as a % of Line 10.6 | 9 Total From Column 7 Prior Year | 10 % From Column 8 Prior Year | 11 Total Publicly Traded | 12 Total Privately Placed |
|----------------------|--|---------------------------|--|--|---|-----------------------|-----------------------------|----------------------------|---|---|--|-----------------------------------|------------------------------------|
| 1. | U.S. Governments | | | | | | | | | | | | |
| 1.1 | Issuer Obligations | | 1,390,271 | | | | X X X | 1,390,271 | 13.62 | 4,251,924 | 18.17 | 1,390,271 | |
| 1.2 | Residential Mortgage-Backed Securities | 43,583 | 140,969 | | | | X X X | 184,552 | 1.81 | 258,712 | 1.11 | 184,552 | |
| 1.3 | Commercial Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 1.4 | Other Loan-Backed and Structured Securities | | | | | | X X X | | | | | | |
| 1.5 | TOTALS | 43,583 | 1,531,240 | | | | X X X | 1,574,824 | 15.42 | 4,510,637 | 19.27 | 1,574,824 | |
| 2. | All Other Governments | | | | | | | | | | | | |
| 2.1 | Issuer Obligations | | | | | | X X X | | | | | | |
| 2.2 | Residential Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 2.3 | Commercial Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 2.4 | Other Loan-Backed and Structured Securities | | | | | | X X X | | | | | | |
| 2.5 | TOTALS | | | | | | X X X | | | | | | |
| 3. | U.S. States, Territories and Possessions, Guaranteed | | | | | | | | | | | | |
| 3.1 | Issuer Obligations | | | | | | X X X | | | 150,000 | 0.64 | | |
| 3.2 | Residential Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 3.3 | Commercial Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 3.4 | Other Loan-Backed and Structured Securities | | | | | | X X X | | | | | | |
| 3.5 | TOTALS | | | | | | X X X | | | 150,000 | 0.64 | | |
| 4. | U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed | | | | | | | | | | | | |
| 4.1 | Issuer Obligations | 400,015 | | | | | X X X | 400,015 | 3.92 | 400,107 | 1.71 | 400,015 | |
| 4.2 | Residential Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 4.3 | Commercial Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 4.4 | Other Loan-Backed and Structured Securities | | | | | | X X X | | | | | | |
| 4.5 | TOTALS | 400,015 | | | | | X X X | 400,015 | 3.92 | 400,107 | 1.71 | 400,015 | |
| 5. | U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed | | | | | | | | | | | | |
| 5.1 | Issuer Obligations | 1,025,000 | 504,567 | | | | X X X | 1,529,567 | 14.98 | 1,531,797 | 6.54 | 1,529,567 | |
| 5.2 | Residential Mortgage-Backed Securities | 769,507 | 1,355,977 | 404,914 | 63,484 | | X X X | 2,593,882 | 25.40 | 3,674,330 | 15.70 | 2,593,882 | |
| 5.3 | Commercial Mortgage-Backed Securities | 41,223 | | | | | X X X | 41,223 | 0.40 | 756,934 | 3.23 | 41,223 | |
| 5.4 | Other Loan-Backed and Structured Securities | | | | | | X X X | | | | | | |
| 5.5 | TOTALS | 1,835,730 | 1,860,545 | 404,914 | 63,484 | | X X X | 4,164,673 | 40.79 | 5,963,061 | 25.48 | 4,164,673 | |
| 6. | Industrial and Miscellaneous | | | | | | | | | | | | |
| 6.1 | Issuer Obligations | 991,031 | 2,078,410 | | | | X X X | 3,069,441 | 30.06 | 6,901,206 | 29.48 | 3,069,441 | |
| 6.2 | Residential Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 6.3 | Commercial Mortgage-Backed Securities | | 546,051 | | | | X X X | 546,051 | 5.35 | 573,429 | 2.45 | 546,051 | |
| 6.4 | Other Loan-Backed and Structured Securities | 224,185 | 231,191 | | | | X X X | 455,376 | 4.46 | 4,907,867 | 20.97 | 455,376 | |
| 6.5 | TOTALS | 1,215,215 | 2,855,652 | | | | X X X | 4,070,868 | 39.87 | 12,382,501 | 52.90 | 4,070,868 | |
| 7. | Hybrid Securities | | | | | | | | | | | | |
| 7.1 | Issuer Obligations | | | | | | X X X | | | | | | |
| 7.2 | Residential Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 7.3 | Commercial Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 7.4 | Other Loan-Backed and Structured Securities | | | | | | X X X | | | | | | |
| 7.5 | TOTALS | | | | | | X X X | | | | | | |
| 8. | Parent, Subsidiaries and Affiliates | | | | | | | | | | | | |
| 8.1 | Issuer Obligations | | | | | | X X X | | | | | | |
| 8.2 | Residential Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 8.3 | Commercial Mortgage-Backed Securities | | | | | | X X X | | | | | | |
| 8.4 | Other Loan-Backed and Structured Securities | | | | | | X X X | | | | | | |
| 8.5 | TOTALS | | | | | | X X X | | | | | | |

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

| | 1 1 Year or Less | 2 Over 1 Year Through 5 Years | 3 Over 5 Years Through 10 Years | 4 Over 10 Years Through 20 Years | 5 Over 20 Years | 6 No Maturity Date | 7 Total Current Year | 8 Column 7 as a % of Line 10.6 | 9 Total From Column 7 Prior Year | 10 % From Column 8 Prior Year | 11 Total Publicly Traded | 12 Total Privately Placed |
|--|---------------------------|--|--|---|-----------------------|-----------------------------|----------------------------|---|---|--|-----------------------------------|------------------------------------|
| Distribution by Type | | | | | | | | | | | | |
| 9. SVO Identified Funds | | | | | | | | | | | | |
| 9.1 Exchange Traded Funds - as Identified by the SVO | X X X | X X X | X X X | X X X | X X X | | | | | | | |
| 9.2 Bond Mutual Funds - as Identified by the SVO | X X X | X X X | X X X | X X X | X X X | | | | | | | |
| 9.3 TOTALS | X X X | X X X | X X X | X X X | X X X | | | | | | | |
| 10. Total Bonds Current Year | | | | | | | | | | | | |
| 10.1 Issuer Obligations | 2,416,046 | 3,973,248 | | | | X X X | 6,389,294 | 62.58 | X X X | X X X | 6,389,294 | |
| 10.2 Residential Mortgage-Backed Securities | 813,090 | 1,496,947 | 404,914 | 63,484 | | X X X | 2,778,435 | 27.21 | X X X | X X X | 2,778,435 | |
| 10.3 Commercial Mortgage-Backed Securities | 41,223 | 546,051 | | | | X X X | 587,274 | 5.75 | X X X | X X X | 587,274 | |
| 10.4 Other Loan-Backed and Structured Securities | 224,185 | 231,191 | | | | X X X | 455,376 | 4.46 | X X X | X X X | 455,376 | |
| 10.5 SVO-Designated Securities | X X X | X X X | X X X | X X X | X X X | | | | X X X | X X X | | |
| 10.6 TOTALS | 3,494,544 | 6,247,437 | 404,914 | 63,484 | | | 10,210,379 | 100.00 | X X X | X X X | 10,210,379 | |
| 10.7 Line 10.6 as a % of Col. 7 | 34.23 | 61.19 | 3.97 | 0.62 | | | 100.00 | X X X | X X X | X X X | 100.00 | |
| 11. Total Bonds Prior Year | | | | | | | | | | | | |
| 11.1 Issuer Obligations | 5,039,121 | 8,195,914 | | | | X X X | X X X | X X X | 13,235,034 | 56.54 | 13,235,034 | |
| 11.2 Residential Mortgage-Backed Securities | 882,687 | 2,149,174 | 744,543 | 156,639 | | X X X | X X X | X X X | 3,933,042 | 16.80 | 3,933,042 | |
| 11.3 Commercial Mortgage-Backed Securities | 164,892 | 1,165,470 | | | | X X X | X X X | X X X | 1,330,363 | 5.68 | 1,330,363 | |
| 11.4 Other Loan-Backed and Structured Securities | 2,385,090 | 2,522,777 | | | | X X X | X X X | X X X | 4,907,867 | 20.97 | 4,907,867 | |
| 11.5 SVO-Designated Securities | X X X | X X X | X X X | X X X | X X X | | | | X X X | X X X | | |
| 11.6 TOTALS | 8,471,789 | 14,033,335 | 744,543 | 156,639 | | | X X X | X X X | 23,406,306 | 100.00 | 23,406,306 | |
| 11.7 Line 11.6 as a % of Col. 9 | 36.19 | 59.96 | 3.18 | 0.67 | | | X X X | X X X | 100.00 | X X X | 100.00 | |
| 12. Total Publicly Traded Bonds | | | | | | | | | | | | |
| 12.1 Issuer Obligations | 2,416,046 | 3,973,248 | | | | X X X | 6,389,294 | 62.58 | 13,235,034 | 56.54 | 6,389,294 | X X X |
| 12.2 Residential Mortgage-Backed Securities | 813,090 | 1,496,947 | 404,914 | 63,484 | | X X X | 2,778,435 | 27.21 | 3,933,042 | 16.80 | 2,778,435 | X X X |
| 12.3 Commercial Mortgage-Backed Securities | 41,223 | 546,051 | | | | X X X | 587,274 | 5.75 | 1,330,363 | 5.68 | 587,274 | X X X |
| 12.4 Other Loan-Backed and Structured Securities | 224,185 | 231,191 | | | | X X X | 455,376 | 4.46 | 4,907,867 | 20.97 | 455,376 | X X X |
| 12.5 SVO-Designated Securities | X X X | X X X | X X X | X X X | X X X | | | | X X X | X X X | | X X X |
| 12.6 TOTALS | 3,494,544 | 6,247,437 | 404,914 | 63,484 | | | 10,210,379 | 100.00 | 23,406,306 | 100.00 | 10,210,379 | X X X |
| 12.7 Line 12.6 as a % of Col. 7 | 34.23 | 61.19 | 3.97 | 0.62 | | | 100.00 | X X X | X X X | X X X | 100.00 | X X X |
| 12.8 Line 12.6 as a % of Line 10.6, Col. 7, Section 10 | 34.23 | 61.19 | 3.97 | 0.62 | | | 100.00 | X X X | X X X | X X X | 100.00 | X X X |
| 13. Total Privately Placed Bonds | | | | | | | | | | | | |
| 13.1 Issuer Obligations | | | | | | X X X | | | | | X X X | |
| 13.2 Residential Mortgage-Backed Securities | | | | | | X X X | | | | | X X X | |
| 13.3 Commercial Mortgage-Backed Securities | | | | | | X X X | | | | | X X X | |
| 13.4 Other Loan-Backed and Structured Securities | | | | | | X X X | | | | | X X X | |
| 13.5 SVO-Designated Securities | X X X | X X X | X X X | X X X | X X X | | | | | | X X X | |
| 13.6 TOTALS | | | | | | | | | | | X X X | |
| 13.7 Line 13.6 as a % of Col. 7 | | | | | | | | | X X X | X X X | X X X | |
| 13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10 | | | | | | | | | X X X | X X X | X X X | |

6015

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

| | 1 | 2 | 3 | 4 | 5 |
|---|-----------|-----------|-------------------|---|---|
| | Total | Bonds | Mortgage Loans | Other Short-term Investment Assets (a) | Investments in Parent, Subsidiaries and Affiliates |
| 1. Book/adjusted carrying value, December 31 of prior year | 2,349,517 | 2,349,517 | | | |
| 2. Cost of short-term investments acquired | | | | | |
| 3. Accrual of discount | | | | | |
| 4. Unrealized valuation increase (decrease) | | | | | |
| 5. TOTAL gain (loss) on disposals | | | | | |
| 6. Deduct consideration received on disposals | 2,349,517 | 2,349,517 | | | |
| 7. Deduct amortization of premium | | | | | |
| 8. TOTAL foreign exchange change in book/adjusted carrying value | | | | | |
| 9. Deduct current year's other-than-temporary impairment recognized | | | | | |
| 10. Book adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | | | | | |
| 11. Deduct total nonadmitted amounts | | | | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | | | | | |

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SI11 Schedule DB Part A Verification NONE

SI11 Schedule DB Part B Verification NONE

SI12 Schedule DB Part C Sn 1 - Rep. (Syn Asset) Transactions NONE

SI13 Schedule DB Part C Sn 2 - Rep. (Syn Asset) Transactions NONE

SI14 Schedule DB Verification NONE

SCHEDULE E - PART 2 - VERIFICATION BETWEEN YEARS (Cash Equivalents)

| | 1 | 2 | 3 | 4 |
|---|------------|-------|------------------------------|-----------|
| | Total | Bonds | Money Market Mutual Funds | Other (a) |
| 1. Book/adjusted carrying value, December 31 of prior year | | | | |
| 2. Cost of cash equivalents acquired | 16,655,966 | | 16,655,966 | |
| 3. Accrual of discount | | | | |
| 4. Unrealized valuation increase (decrease) | | | | |
| 5. TOTAL gain (loss) on disposals | | | | |
| 6. Deduct consideration received on disposals | 15,986,542 | | 15,986,542 | |
| 7. Deduct amortization of premium | | | | |
| 8. TOTAL foreign exchange change in book/adjusted carrying value | | | | |
| 9. Deduct current year's other-than-temporary impairment recognized | | | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 669,424 | | 669,424 | |
| 11. Deduct total nonadmitted amounts | | | | |
| 12. Statement value at end of current period (Lines 10 minus 11) | 669,424 | | 669,424 | |

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

E01 Schedule A - Part 1 Real Estate Owned NONE

E02 Schedule A - Part 2 Real Estate Acquired NONE

E03 Schedule A - Part 3 Real Estate Disposed NONE

E04 Schedule B Part 1 - Mortgage Loans Owned NONE

E05 Schedule B Part 2 - Mortgage Loans Acquired NONE

E06 Schedule B Part 3 - Mortgage Loans Disposed NONE

E07 Schedule BA Part 1 - Long-Term Invested Assets Owned NONE

E08 Schedule BA Part 2 - Long-Term Invested Assets Acquired NONE

E09 Schedule BA Part 3 - Long-Term Invested Assets Disposed NONE

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1 CUSIP Identification | 2 Description | Codes | | | 6 NAIC Designation | 7 Actual Cost | Fair Value | | 10 Par Value | 11 Book/ Adjusted Carrying Value | Change in Book Adjusted Carrying Value | | | | Interest | | | | | Dates | |
|--|--|-----------|--------------------------------------|-------------------|--------------------------|---------------------|---|--------------------|--------------------|--|--|---|---|--|------------------|--|--------------------|--|--|----------------|---|
| | | 3 Code | 4 F O R E I G N | 5 Bond CHAR | | | 8 Rate Used to Obtain Fair Value | 9 Fair Value | | | 12 Unrealized Valuation Increase/ (Decrease) | 13 Current Year's (Amortization)/ Accretion | 14 Current Year's Other- Than- Temporary Impairment Recognized | 15 Total Foreign Exchange Change in B./A.C.V. | 16 Rate of | 17 Effective Rate of Interest | 18 When Paid | 19 Admitted Amount Due and Accrued | 20 Amount Received During Year | 21 Acquired | 22 Stated Contractual Maturity Date |
| 3299999 | Subtotal - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | 3,082,333 | X X X | 3,068,378 | 3,065,000 | 3,069,441 | | (4,312) | | | X X X | X X X | X X X | 21,710 | 69,370 | X X X | X X X |
| Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities | | | | | | | | | | | | | | | | | | | | | |
| 36191YB3 | GSMS 11GC5 A4 - CMBS | | | 4 | 1FM | 559,590 | 103.4140 | 542,924 | 525,000 | 546,051 | | (6,162) | | | 3.707 | 2.427 | MON | 1,622 | 19,462 | 02/11/2016 | 08/12/2044 |
| 3499999 | Subtotal - Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities | | | | | 559,590 | X X X | 542,924 | 525,000 | 546,051 | | (6,162) | | | X X X | X X X | X X X | 1,622 | 19,462 | X X X | X X X |
| Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities | | | | | | | | | | | | | | | | | | | | | |
| 00104UAB4 | AEP 1203 A2 - ABS | | | 4 | 1FE | 390,254 | 99.6830 | 382,929 | 384,146 | 387,045 | | (1,447) | | | 1.976 | 1.438 | JD | 633 | 8,242 | 01/29/2016 | 06/01/2021 |
| 43814MAC1 | HAROT 153 A3 - ABS | | | 4 | 1FE | 68,124 | 99.8880 | 68,282 | 68,359 | 68,331 | | 71 | | | 1.270 | 1.497 | MON | 31 | 960 | 12/18/2015 | 04/18/2019 |
| 3599999 | Subtotal - Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities | | | | | 458,377 | X X X | 451,211 | 452,505 | 455,376 | | (1,375) | | | X X X | X X X | X X X | 664 | 9,202 | X X X | X X X |
| 3899999 | Subtotal - Industrial & Miscellaneous (Unaffiliated) | | | | | 4,100,301 | X X X | 4,062,513 | 4,042,505 | 4,070,868 | | (11,849) | | | X X X | X X X | X X X | 23,995 | 98,034 | X X X | X X X |
| 7799999 | Subtotals - Issuer Obligations | | | | | 6,407,005 | X X X | 6,366,433 | 6,375,000 | 6,389,294 | | (7,079) | | | X X X | X X X | X X X | 37,317 | 110,889 | X X X | X X X |
| 7899999 | Subtotals - Residential Mortgage-Backed Securities | | | | | 2,791,715 | X X X | 2,717,150 | 2,700,405 | 2,778,435 | | (8,481) | | | X X X | X X X | X X X | 6,198 | 75,800 | X X X | X X X |
| 7999999 | Subtotals - Commercial Mortgage-Backed Securities | | | | | 601,235 | X X X | 584,103 | 566,233 | 587,274 | | (6,316) | | | X X X | X X X | X X X | 1,675 | 20,169 | X X X | X X X |
| 8099999 | Subtotals - Other Loan-Backed and Structured Securities | | | | | 458,377 | X X X | 451,211 | 452,505 | 455,376 | | (1,375) | | | X X X | X X X | X X X | 664 | 9,202 | X X X | X X X |
| 8399999 | Grand Total - Bonds | | | | | 10,258,332 | X X X | 10,118,897 | 10,094,143 | 10,210,379 | | (23,251) | | | X X X | X X X | X X X | 45,854 | 216,061 | X X X | X X X |

E11 Schedule D - Part 2 Sn 1 Prfrd Stocks Owned NONE

E12 Schedule D - Part 2 Sn 2 Common Stocks Owned NONE

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1 CUSIP Identification | 2 Description | 3 Foreign | 4 Date Acquired | 5 Name of Vendor | 6 Number of Shares of Stock | 7 Actual Cost | 8 Par Value | 9 Paid for Accrued Interest and Dividends |
|---------------------------------|---|--------------|-----------------------|-----------------------------|--------------------------------------|------------------|----------------|--|
| Bonds - U.S. Governments | | | | | | | | |
| 912828N89 | UNITED STATES TREASURY | | 09/27/2017 | BNP PARIBAS SECURITIES BOND | X X X | 198,016 | 200,000 | 441 |
| 912828ST8 | UNITED STATES TREASURY | | 04/27/2017 | CITIBANK, N.A. | X X X | 249,952 | 250,000 | 8 |
| 912828WG1 | UNITED STATES TREASURY | | 10/05/2017 | CITIBANK, N.A. | X X X | 417,032 | 410,000 | 3,986 |
| 912828X21 | UNITED STATES TREASURY | | 04/27/2017 | MERRILL LYNCH FIXED INCOME | X X X | 300,540 | 300,000 | 160 |
| 912828XU9 | UNITED STATES TREASURY | | 06/23/2017 | MERRILL LYNCH FIXED INCOME | X X X | 350,152 | 350,000 | 158 |
| 0599999 | Subtotal - Bonds - U.S. Governments | | | | | 1,515,692 | 1,510,000 | 4,753 |
| 8399997 | Subtotal - Bonds - Part 3 | | | | | 1,515,692 | 1,510,000 | 4,753 |
| 8399998 | Summary item from Part 5 for Bonds | | | | | 1,827,916 | 1,820,856 | 4,470 |
| 8399999 | Subtotal - Bonds | | | | | 3,343,608 | 3,330,856 | 9,223 |
| 8999998 | Summary Item from Part 5 for Preferred Stocks | | | | | | X X X | |
| 8999999 | Subtotal - Preferred Stocks | | | | | | X X X | |
| 9799998 | Summary Item from Part 5 for Common Stocks | | | | | | X X X | |
| 9799999 | Subtotal - Common Stocks | | | | | | X X X | |
| 9899999 | Subtotal - Preferred and Common Stocks | | | | | | X X X | |
| 9999999 | Totals | | | | | 3,343,608 | X X X | 9,223 |

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 |
|------------------------|--|------------|--------------------------|--|---------------------------|--------------------|--------------------|--------------------|---|--|--|---|--|--|---|--|----------------------------------|-------------------------------|---|----------------------------------|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | |
| CUSIP Identification | Description | Forfeiture | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year (Amortization/ Accretion) | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (Cols. 11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/ Stock Dividends Received During Year | Stated Contractual Maturity Date |
| 61166WAR2 828807CQ8 | MONSANTO CO SIMON PROPERTY GROUP LP | | 06/30/2017 06/01/2017 | Maturity @ 100.0 WELLS FARGO BROKERAGE | X X X X X X | 200,000 302,256 | 200,000 300,000 | 199,806 304,095 | 199,968 301,922 | | 32 (33) | | 32 (33) | | 200,000 301,889 | | | | 1,150 2,970 | 06/30/2017 02/01/2019 |
| 87165LAP6 89236TCU7 | SYNCT 153 A - ABS TOYOTA MOTOR CREDIT CORP | | 10/17/2017 10/18/2017 | INTL FCStone L.P. MILLENNIUM ADVISORS, LLC | X X X X X X | 535,958 374,756 | 536,000 375,000 | 537,780 375,424 | 537,342 375,304 | | (620) (113) | | (620) (113) | | 536,722 375,191 | | (764) (435) | (764) (435) | 7,850 7,455 | 09/15/2021 02/19/2019 |
| 89237KAD5 90331HMH3 | TAOT 16A A3 - ABS US BANK NA | | 06/01/2017 08/11/2017 | BNP SECURITIES Call @ 100.0 | X X X X X X | 498,281 300,000 | 500,000 300,000 | 499,972 299,832 | 499,982 299,961 | | 0 34 | | 0 34 | | 499,983 299,995 | | (1,701) 5 | (1,701) 5 | 486 3,781 | 03/16/2020 09/11/2017 |
| 92890NAS8 94974BGB0 | WFRBS 12C10 A1 - CMBS WELLS FARGO & CO | | 04/01/2017 09/08/2017 | Paydown Maturity @ 100.0 | X X X X X X | 21,241 290,000 | 21,241 290,000 | 21,152 289,713 | 21,216 289,934 | | 25 66 | | 25 66 | | 21,241 290,000 | | | | 13 4,060 | 12/15/2045 09/08/2017 |
| 963320AP1 963320AS5 | WHIRLPOOL CORP WHIRLPOOL CORP | | 03/01/2017 11/01/2017 | Maturity @ 100.0 Maturity @ 100.0 | X X X X X X | 150,000 100,000 | 150,000 100,000 | 149,990 99,994 | 149,999 99,998 | | 1 2 | | 1 2 | | 150,000 100,000 | | | | 1,013 1,650 | 03/01/2017 11/01/2017 |
| 3899999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | 8,291,713 | 8,288,913 | 8,317,934 | 8,299,784 | | (5,921) | | (5,921) | | 8,293,863 | | (2,150) | (2,150) | 87,135 | X X X |
| 8399997 | Subtotal - Bonds - Part 4 | | | | | 12,296,656 | 12,287,453 | 12,363,516 | 12,213,875 | | (32,726) | | (32,726) | | 12,306,125 | | (9,469) | (9,469) | 124,706 | X X X |
| 8399998 | Summary Item from Part 5 for Bonds | | | | | 1,834,190 | 1,820,856 | 1,827,916 | | | (275) | | (275) | | 1,827,641 | | 6,549 | 6,549 | 14,040 | X X X |
| 8399999 | Subtotal - Bonds | | | | | 14,130,845 | 14,108,309 | 14,191,432 | 12,213,875 | | (33,001) | | (33,001) | | 14,133,766 | | (2,921) | (2,921) | 138,747 | X X X |
| 8999998 | Summary Item from Part 5 for Preferred Stocks | | | | | | X X X | | | | | | | | | | | | | X X X |
| 8999999 | Subtotal - Preferred Stocks | | | | | | X X X | | | | | | | | | | | | | X X X |
| 9799998 | Summary Item from Part 5 for Common Stocks | | | | | | X X X | | | | | | | | | | | | | X X X |
| 9799999 | Subtotal - Common Stocks | | | | | | X X X | | | | | | | | | | | | | X X X |
| 9899999 | Subtotal - Preferred and Common Stocks | | | | | | X X X | | | | | | | | | | | | | X X X |
| 9999999 | Totals | | | | | 14,130,845 | X X X | 14,191,432 | 12,213,875 | | (33,001) | | (33,001) | | 14,133,766 | | (2,921) | (2,921) | 138,747 | X X X |

SCHEDULE D - PART 5

Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

| 1 CUSIP Identifi- cation | 2 Description | 3 F O R E I G N | 4 Date Acquired | 5 Name of Vendor | 6 Disposal Date | 7 Name of Purchaser | 8 Par Value (Bonds) or Number of Shares (Stock) | 9 Actual Cost | 10 Consider- ation | 11 Book/ Adjusted Carrying Value at Disposal | Change in Book/Adjusted Carrying Value | | | | | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Interest and Dividends Received During Year | 21 Paid for Accrued Interest and Dividends | |
|---|------------------------|--------------------------------------|-----------------------|------------------------------|-----------------------|---------------------------------|--|---------------------|--------------------------|---|--|--|---|--|--|---|--|---|--|---|--|
| | | | | | | | | | | | 12 Unrealized Valuation Increase/ (Decrease) | 13 Current Year's (Amortization)/ Accretion | 14 Current Year's Other-Than- Temporary Impairment Recognized | 15 Total Change in B./A.C.V. (Col. 12+ 13-14) | 16 Total Foreign Exchange Change in B./A.C.V. | | | | | | |
| Bonds - U.S. Governments | | | | | | | | | | | | | | | | | | | | | |
| 912828K58 | UNITED STATES TREASURY | | 03/09/2017 | JEFFERIES & COMPANY INC | 07/19/2017 | RBS GREENWICH | 500,000 | 494,611 | 498,592 | 495,219 | | | | | | | | | | | |
| 912828WW6 | UNITED STATES TREASURY | | 03/09/2017 | CITIBANK, N.A. | 07/19/2017 | NOMURA SECURITIES INTERNATIONAL | 500,000 | 501,564 | 502,616 | 501,331 | | (233) | | (233) | | | | | | | |
| 912828XS4 | UNITED STATES TREASURY | | 06/23/2017 | BNP SECURITIES | 07/19/2017 | NOMURA SECURITIES INTERNATIONAL | 350,000 | 349,359 | 349,329 | 349,380 | | 22 | | 22 | | | | | | | |
| 0599999 Subtotal - Bonds - U.S. Governments | | | | | | | 1,350,000 | 1,345,534 | 1,350,536 | 1,345,931 | | 397 | | 397 | | | 4,605 | 4,605 | 9,364 | 3,633 | |
| Bonds - U.S. Special Revenue, Special Assessment | | | | | | | | | | | | | | | | | | | | | |
| 3128MFAN8 | FH G16113 - RMBS | | 04/27/2017 | INTL FCStone L.P. | 07/18/2017 | VARIOUS | 248,660 | 256,159 | 255,622 | 255,769 | | (390) | | (390) | | | | | | | |
| 3138WEMY2 | FN AS4874 - RMBS | | 03/14/2017 | INTL FC Stone Securities Inc | 07/25/2017 | VARIOUS | 222,196 | 226,223 | 228,032 | 225,941 | | (282) | | (282) | | | | | | | |
| 3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment | | | | | | | 470,856 | 482,382 | 483,653 | 481,710 | | (672) | | (672) | | | 1,943 | 1,943 | 4,676 | 837 | |
| 8399998 Subtotal - Bonds | | | | | | | 1,820,856 | 1,827,916 | 1,834,190 | 1,827,641 | | (275) | | (275) | | | 6,549 | 6,549 | 14,040 | 4,470 | |
| 9899999 Subtotal - Preferred and Common Stocks | | | | | | | | | | | | | | | | | | | | | |
| 9999999 Totals | | | | | | | | 1,827,916 | 1,834,190 | 1,827,641 | | (275) | | (275) | | | 6,549 | 6,549 | 14,040 | 4,470 | |

| | | |
|-----|--|------|
| E16 | Schedule D - Part 6 Sn 1 | NONE |
| E16 | Schedule D - Part 6 Sn 2 | NONE |
| E17 | Schedule DA - Part 1 Short-Term Investments Owned | NONE |
| E18 | Schedule DB - Part A Sn 1 Opt/Cap/Floors/Collars/Swaps/Forwards Open | NONE |
| E19 | Schedule DB - Part A Sn 2 Opt/Cap/Floors/Collars/Swaps/Forwards Term. | NONE |
| E20 | Schedule DB - Part B Sn 1 Futures Contracts Open | NONE |
| E21 | Schedule DB - Part B Sn 2 Futures Contracts Terminated | NONE |
| E22 | Schedule DB - Part D Sn 1 Counterparty Exposure for Derivative Instruments | NONE |
| E23 | Schedule DB - Part D Sn 2 - Collateral Pledged By Reporting Entity | NONE |
| E23 | Schedule DB - Part D Sn 2 - Collateral Pledged To Reporting Entity | NONE |
| E24 | Schedule DL - Part 1 - Securities Lending Collateral Assets | NONE |
| E25 | Schedule DL - Part 2 - Securities Lending Collateral Assets | NONE |

SCHEDULE E - PART 1 - CASH

| 1 Depository | 2 Code | 3 Rate of Interest | 4 Amount of Interest Received During Year | 5 Amount of Interest Accrued December 31 of Current Year | 6 Balance | 7 * |
|--|-------------------------------|-----------------------|--|---|--------------|--------|
| open depositories | | | | | | |
| Wells Fargo - Checking | Albuquerque, New Mexico | | | | 5,784,395 | X X X |
| Wells Fargo - Claims #4894 | Albuquerque, New Mexico | | | | (1,274,922) | X X X |
| Wells Fargo - Claims #5258 | Albuquerque, New Mexico | | | | 39,616 | X X X |
| Wells Fargo - Money Market | Albuquerque, New Mexico | 0.030 | 45 | | 151,352 | X X X |
| Wells Fargo - Premium | Albuquerque, New Mexico | | | | 2,104,412 | X X X |
| Wells Fargo #4083 | Albuquerque, New Mexico | | | | 3,932 | X X X |
| 0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories | | | | | | |
| | | X X X | | | | X X X |
| 0199999 Totals - Open Depositories | | | | | | |
| | | X X X | 45 | | 6,808,785 | X X X |
| 0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories | | | | | | |
| | | X X X | | | | X X X |
| 0299999 Totals - Suspended Depositories | | | | | | |
| | | X X X | 45 | | 6,808,785 | X X X |
| 0399999 Total Cash On Deposit | | | | | | |
| | | X X X | X X X | X X X | 6,808,785 | X X X |
| 0499999 Cash in Company's Office | | | | | | |
| | | X X X | | | 6,808,785 | X X X |
| 0599999 Total Cash | | | | | | |
| | | X X X | 45 | | 6,808,785 | X X X |

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

| | | | | | | | |
|-------------------|------------|----------------|-----------|--------------------|------------|--------------------|-----------|
| 1. January | 6,571,615 | 4. April | 6,789,193 | 7. July | 11,728,745 | 10. October | 8,665,852 |
| 2. February | 9,352,311 | 5. May | 7,588,714 | 8. August | 6,952,590 | 11. November | 4,781,052 |
| 3. March | 12,256,880 | 6. June | 4,278,813 | 9. September | 2,939,360 | 12. December | 6,808,785 |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|--|------|------------------|---------------------|------------------|---------------------------------|--|-----------------------------------|
| CUSIP | Description | Code | Date Acquired | Rate of Interest | Maturity Date | Book/Adjusted Carrying Value | Amount of Interest Due & Accrued | Amount Received During Year |
| 6099999 | Subtotal - Bonds - SVO Identified Funds | | | | | | | |
| 8399999 | Subtotals - Bonds | | | | | | | |
| Exempt Money Market Mutual Funds - as Identified by SVO | | | | | | | | |
| 825252885 | INVESCO GOV&AGENCY;INST | | 12/29/2017 | 0.000 | X X X | 669,424 | 472 | 247 |
| 8599999 | Subtotal - Exempt Money Market Mutual Funds - as Identified by SVO | | | | | 669,424 | 472 | 247 |
| 8899999 | Total Cash Equivalents | | | | | 669,424 | 472 | 247 |

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

| | States, Etc. | 1 Type of Deposit | 2 Purpose of Deposit | Deposits For the Benefit of All Policyholders | | All Other Special Deposits | |
|-----------------------------|--|----------------------|-------------------------|--|--------------------|--------------------------------------|--------------------|
| | | | | 3 Book/Adjusted Carrying Value | 4 Fair Value | 5 Book/Adjusted Carrying Value | 6 Fair Value |
| | | | | 1. | Alabama (AL) | | |
| 2. | Alaska (AK) | | | | | | |
| 3. | Arizona (AZ) | | | | | | |
| 4. | Arkansas (AR) | | | | | | |
| 5. | California (CA) | | | | | | |
| 6. | Colorado (CO) | | | | | | |
| 7. | Connecticut (CT) | | | | | | |
| 8. | Delaware (DE) | | | | | | |
| 9. | District of Columbia (DC) | | | | | | |
| 10. | Florida (FL) | | | | | | |
| 11. | Georgia (GA) | | | | | | |
| 12. | Hawaii (HI) | | | | | | |
| 13. | Idaho (ID) | | | | | | |
| 14. | Illinois (IL) | | | | | | |
| 15. | Indiana (IN) | | | | | | |
| 16. | Iowa (IA) | | | | | | |
| 17. | Kansas (KS) | | | | | | |
| 18. | Kentucky (KY) | | | | | | |
| 19. | Louisiana (LA) | | | | | | |
| 20. | Maine (ME) | | | | | | |
| 21. | Maryland (MD) | | | | | | |
| 22. | Massachusetts (MA) | | | | | | |
| 23. | Michigan (MI) | | | | | | |
| 24. | Minnesota (MN) | | | | | | |
| 25. | Mississippi (MS) | | | | | | |
| 26. | Missouri (MO) | | | | | | |
| 27. | Montana (MT) | | | | | | |
| 28. | Nebraska (NE) | | | | | | |
| 29. | Nevada (NV) | | | | | | |
| 30. | New Hampshire (NH) | | | | | | |
| 31. | New Jersey (NJ) | | | | | | |
| 32. | New Mexico (NM) | B | NM RSD | 416,576 | 412,690 | | |
| 33. | New York (NY) | | | | | | |
| 34. | North Carolina (NC) | | | | | | |
| 35. | North Dakota (ND) | | | | | | |
| 36. | Ohio (OH) | | | | | | |
| 37. | Oklahoma (OK) | | | | | | |
| 38. | Oregon (OR) | | | | | | |
| 39. | Pennsylvania (PA) | | | | | | |
| 40. | Rhode Island (RI) | | | | | | |
| 41. | South Carolina (SC) | | | | | | |
| 42. | South Dakota (SD) | | | | | | |
| 43. | Tennessee (TN) | | | | | | |
| 44. | Texas (TX) | | | | | | |
| 45. | Utah (UT) | | | | | | |
| 46. | Vermont (VT) | | | | | | |
| 47. | Virginia (VA) | | | | | | |
| 48. | Washington (WA) | | | | | | |
| 49. | West Virginia (WV) | | | | | | |
| 50. | Wisconsin (WI) | | | | | | |
| 51. | Wyoming (WY) | | | | | | |
| 52. | American Samoa (AS) | | | | | | |
| 53. | Guam (GU) | | | | | | |
| 54. | Puerto Rico (PR) | | | | | | |
| 55. | U.S. Virgin Islands (VI) | | | | | | |
| 56. | Northern Mariana Islands (MP) | | | | | | |
| 57. | Canada (CAN) | | | | | | |
| 58. | Aggregate Alien and Other (OT) | X X X | X X X | | | | |
| 59. | TOTAL | X X X | X X X | 416,576 | 412,690 | | |
| DETAILS OF WRITE-INS | | | | | | | |
| 5801. | | | | | | | |
| 5802. | | | | | | | |
| 5803. | | | | | | | |
| 5898. | Summary of remaining write-ins for Line 58 from overflow page | X X X | X X X | | | | |
| 5899. | TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) | X X X | X X X | | | | |

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