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HEALTH ANNUAL STATEMENT

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

Care Improvement Plus South Central Insurance Company

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 12567 Employer's ID Number 20-3888112

Organized under the Laws of Arkansas, State of Domicile or Port of Entry AR

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 01/13/2006 Commenced Business 01/01/2007

Statutory Home Office 1401 Capitol Avenue, 3rd Floor, Suite 375 (Street and Number), Little Rock , AR, US 72201 (City or Town, State, Country and Zip Code)

Main Administrative Office 9800 Health Care Lane MN006-W500 (Street and Number)
Minnetonka , MN, US 55343 (City or Town, State, Country and Zip Code), 952-936-1300 (Area Code) (Telephone Number)

Mail Address 9800 Health Care Lane MN006-W500 (Street and Number or P.O. Box), Minnetonka , MN, US 55343 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 9800 Health Care Lane MN006-W500 (Street and Number)
Minnetonka , MN, US 55343 (City or Town, State, Country and Zip Code), 952-936-1300 (Area Code) (Telephone Number)

Internet Website Address www.uhcmedicaresolutions.com

Statutory Statement Contact Lisa A Miller (Name), 952-202-4741 (Area Code) (Telephone Number)
lisa_a_miller@uhc.com (E-mail Address), 952-931-4651 (FAX Number)

OFFICERS

President	Gregg James Kunemund #	Treasurer	Robert Worth Oberrender
Secretary	Edith Lourdes Escalona #	Chief Financial Officer	Brian Howard St. Martin #

OTHER

Nyle Brent Cottington, Vice President — Heather Anastasia Lang Jacobsen, Assistant Secretary

DIRECTORS OR TRUSTEES

Michael Jamison Grossman # — Brian Howard St. Martin # — Craig Andrew Stillman #

State of Georgia	State of Florida	State of
County of Gwinnett	County of Dade	County of

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions there from 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.

Gregg James Kunemund	Edith Lourdes Escalona	
President	Secretary	

Subscribed and sworn to before me this 30 day of January 2018	Subscribed and sworn to before me this 22nd day of January, 2018	Subscribed and sworn to before me this ____ day of ____

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

LORAINE MEDLOCK ANDERSON
MY COMMISSION EXPIRES JANUARY 23, 2021
NOTARY PUBLIC
GWINNETT COUNTY, GEORGIA

NOTARY PUBLIC STATE OF FLORIDA
MILLICENT VILA
MY COMMISSION #GG130156
EXPIRES: OCT 24, 2021
Bonded through 1st State Insurance

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)	319,275,306	0	319,275,306	339,353,876
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	0	0	0	0
	2.2 Common stocks	0	0	0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	0	0	0	0
	3.2 Other than first liens	0	0	0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ 0 encumbrances)	0	0	0	0
	4.2 Properties held for the production of income (less $ 0 encumbrances)	0	0	0	0
	4.3 Properties held for sale (less $ 0 encumbrances)	0	0	0	0
5.	Cash ($ (1,432,061) , Schedule E - Part 1), cash equivalents ($ 4,140,385 , Schedule E - Part 2) and short-term investments ($ 1,209 , Schedule DA)	2,709,533	0	2,709,533	250,494,280
6.	Contract loans, (including $ 0 premium notes)	0	0	0	0
7.	Derivatives (Schedule DB)	0	0	0	0
8.	Other invested assets (Schedule BA)	0	0	0	0
9.	Receivables for securities	0	0	0	0
10.	Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	321,984,839	0	321,984,839	589,848,156
13.	Title plants less $ 0 charged off (for Title insurers only)	0	0	0	0
14.	Investment income due and accrued	2,602,388	0	2,602,388	3,114,486
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	4,912,387	1,148,626	3,763,761	1,584,185
	15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	0	0	0	0
	15.3 Accrued retrospective premiums ($ 0) and contracts subject to redetermination ($ 200,083,646)	200,083,646	0	200,083,646	208,246,141
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	15,540	0	15,540	20,070
	16.2 Funds held by or deposited with reinsured companies	0	0	0	0
	16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17.	Amounts receivable relating to uninsured plans	8,160,333	213,509	7,946,824	73,028,073
18.1	Current federal and foreign income tax recoverable and interest thereon	68,218	0	68,218	4,653,117
18.2	Net deferred tax asset	4,222,369	0	4,222,369	20,769,491
19.	Guaranty funds receivable or on deposit	0	0	0	0
20.	Electronic data processing equipment and software	0	0	0	0
21.	Furniture and equipment, including health care delivery assets ($ 0)	0	0	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23.	Receivables from parent, subsidiaries and affiliates	0	0	0	0
24.	Health care ($ 52,960,875) and other amounts receivable	70,423,630	17,462,755	52,960,875	128,203,156
25.	Aggregate write-ins for other than invested assets	0	0	0	23,934
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	612,473,350	18,824,890	593,648,460	1,029,490,809
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28.	Total (Lines 26 and 27)	612,473,350	18,824,890	593,648,460	1,029,490,809
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	State Income Tax Receivable	0	0	0	23,934
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	23,934

LIABILITIES, CAPITAL AND SURPLUS

	Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1. Claims unpaid (less $ 96,680 reinsurance ceded)	184,004,889	0	184,004,889	519,608,714
2. Accrued medical incentive pool and bonus amounts	2,931,763	0	2,931,763	13,087,735
3. Unpaid claims adjustment expenses	1,932,990	0	1,932,990	4,781,900
4. Aggregate health policy reserves, including the liability of $ 15,783,239 for medical loss ratio rebate per the Public Health Service Act	22,260,809	0	22,260,809	10,558,209
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	303,390	0	303,390	536,656
8. Premiums received in advance	527,480	0	527,480	915,918
9. General expenses due or accrued	4,221,575	0	4,221,575	4,467,651
10.1 Current federal and foreign income tax payable and interest thereon (including $ 0 on realized capital gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	29,180	0	29,180	29,717
12. Amounts withheld or retained for the account of others	0	0	0	0
13. Remittances and items not allocated	294,261	0	294,261	1,937,915
14. Borrowed money (including $ 0 current) and interest thereon $ 0 (including $ 0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	24,898,677	0	24,898,677	45,775,911
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with $ 0 authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified ($ 0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	4,926,873	0	4,926,873	4,657,092
23. Aggregate write-ins for other liabilities (including $ 85,313 current)	85,313	0	85,313	69,153
24. Total liabilities (Lines 1 to 23)	246,417,200	0	246,417,200	606,426,571
25. Aggregate write-ins for special surplus funds	XXX	XXX	26,815,626	0
26. Common capital stock	XXX	XXX	2,000,000	2,000,000
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	181,562,960	181,562,960
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	136,852,674	239,501,278
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 $ 0)	XXX	XXX	0	0
32.2 0 shares preferred (value included in Line 27 $ 0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	347,231,260	423,064,238
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	593,648,460	1,029,490,809
DETAILS OF WRITE-INS				
2301. Unclaimed Property	85,313	0	85,313	69,153
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	85,313	0	85,313	69,153
2501. Section 9010 ACA Subsequent Fee Year Assessment	XXX	XXX	26,815,626	0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	26,815,626	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	XXX	1,117,190	3,205,692
2.	Net premium income (including $ 0 non-health premium income)	XXX	1,256,025,229	3,681,268,051
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(8,253,898)	24,062,913
4.	Fee-for-service (net of $ 0 medical expenses)	XXX	0	0
5.	Risk revenue	XXX	0	0
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	1,247,771,331	3,705,330,964
	Hospital and Medical:			
9.	Hospital/medical benefits	0	923,468,190	2,682,323,471
10.	Other professional services	0	5,894,959	7,430,754
11.	Outside referrals	0	0	0
12.	Emergency room and out-of-area	0	0	0
13.	Prescription drugs	0	61,822,507	140,331,174
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts	0	(2,674,837)	5,252,806
16.	Subtotal (Lines 9 to 15)	0	988,510,819	2,835,338,205
	Less:			
17.	Net reinsurance recoveries	0	489,282	599,723
18.	Total hospital and medical (Lines 16 minus 17)	0	988,021,537	2,834,738,482
19.	Non-health claims (net)	0	0	0
20.	Claims adjustment expenses, including $ 37,415,943 cost containment expenses	0	56,890,455	136,968,400
21.	General administrative expenses	0	86,357,462	338,570,400
22.	Increase in reserves for life and accident and health contracts (including $ 0 increase in reserves for life only)	0	0	0
23.	Total underwriting deductions (Lines 18 through 22)	0	1,131,269,454	3,310,277,282
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	116,501,877	395,053,682
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	7,670,575	9,345,562
26.	Net realized capital gains (losses) less capital gains tax of $ 105,923	0	60,160	1,798,307
27.	Net investment gains (losses) (Lines 25 plus 26)	0	7,730,735	11,143,869
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ 1,045,361) (amount charged off $ (6,198,765))]	0	(5,153,404)	(4,986,872)
29.	Aggregate write-ins for other income or expenses	0	(78,784)	(1,430)
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	119,000,424	401,209,249
31.	Federal and foreign income taxes incurred	XXX	39,751,773	159,784,303
32.	Net income (loss) (Lines 30 minus 31)	XXX	79,248,651	241,424,946
	DETAILS OF WRITE-INS			
0601.		XXX		
0602.		XXX		
0603		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.		XXX		
0702.		XXX		
0703		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.	Fines and Penalties	0	(78,784)	(1,430)
2902.				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	(78,784)	(1,430)

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	423,064,238	315,151,737
34.	Net income or (loss) from Line 32	79,248,651	241,424,946
35.	Change in valuation basis of aggregate policy and claim reserves	0	0
36.	Change in net unrealized capital gains (losses) less capital gains tax of $ 0	0	0
37.	Change in net unrealized foreign exchange capital gain or (loss)	0	0
38.	Change in net deferred income tax	(16,547,122)	3,754,527
39.	Change in nonadmitted assets	36,465,493	(9,262,484)
40	Change in unauthorized and certified reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles	0	0
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0
	44.3 Transferred to surplus	0	0
45.	Surplus adjustments:		
	45.1 Paid in	0	0
	45.2 Transferred to capital (Stock Dividend)	0	0
	45.3 Transferred from capital	0	0
46.	Dividends to stockholders	(175,000,000)	(150,000,000)
47.	Aggregate write-ins for gains or (losses) in surplus	0	21,995,512
48.	Net change in capital and surplus (Lines 34 to 47)	(75,832,978)	107,912,501
49.	Capital and surplus end of reporting period (Line 33 plus 48)	347,231,260	423,064,238
	DETAILS OF WRITE-INS		
4701.	Correction of Prior Year Error	0	21,995,512
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	21,995,512

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	1,270,260,530	3,577,709,129
2.	Net investment income	11,892,446	16,966,136
3.	Miscellaneous income	0	0
4.	Total (Lines 1 through 3)	1,282,152,976	3,594,675,265
5.	Benefit and loss related payments	1,227,179,500	2,667,573,379
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	86,201,535	407,618,096
8.	Dividends paid to policyholders	0	0
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	35,272,797	174,452,117
10.	Total (Lines 5 through 9)	1,348,653,832	3,249,643,592
11.	Net cash from operations (Line 4 minus Line 10)	(66,500,856)	345,031,673
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	138,391,620	350,436,393
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
	12.7 Miscellaneous proceeds	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	138,391,620	350,436,393
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	121,878,733	208,056,596
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	0	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	121,878,733	208,056,596
14.	Net increase (decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	16,512,887	142,379,797
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	0
	16.3 Borrowed funds	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	175,000,000	150,000,000
	16.6 Other cash provided (applied)	(22,796,778)	(155,134,657)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(197,796,778)	(305,134,657)
	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)	(247,784,747)	182,276,813
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	250,494,280	68,217,467
	19.2 End of year (Line 18 plus Line 19.1)	2,709,533	250,494,280

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	1,256,025,229	0	0	0	0	0	1,255,472,770	552,459	0	0
2. Change in unearned premium reserves and reserve for rate credit	(8,253,898)	0	0	0	0	0	(8,253,898)	0	0	0
3. Fee-for-service (net of $ 0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	1,247,771,331	0	0	0	0	0	1,247,218,872	552,459	0	0
8. Hospital/medical benefits	923,468,190	0	0	0	0	0	922,484,128	984,062	0	XXX
9. Other professional services	5,894,959	0	0	0	0	0	5,894,959	0	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs	61,822,507	0	0	0	0	0	61,822,507	0	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	(2,674,837)	0	0	0	0	0	(2,674,837)	0	0	XXX
15. Subtotal (Lines 8 to 14)	988,510,819	0	0	0	0	0	987,526,757	984,062	0	XXX
16. Net reinsurance recoveries	489,282	0	0	0	0	0	489,282	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	988,021,537	0	0	0	0	0	987,037,475	984,062	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $ 37,415,943 cost containment expenses	56,890,455	0	0	0	0	0	56,889,279	1,176	0	0
20. General administrative expenses	86,357,462	0	0	0	0	0	86,357,395	67	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	1,131,269,454	0	0	0	0	0	1,130,284,149	985,305	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	116,501,877	0	0	0	0	0	116,934,723	(432,846)	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	0	0	0	0
2. Medicare Supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0
6. Title XVIII - Medicare	1,255,826,662	0	353,892	1,255,472,770
7. Title XIX - Medicaid	552,459	0	0	552,459
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	1,256,379,121	0	353,892	1,256,025,229
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	1,256,379,121	0	353,892	1,256,025,229

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	1,220,206,571	0	0	0	0	0	1,219,315,820	890,751	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	508,206	0	0	0	0	0	508,206	0	0	0
1.4 Net	1,219,698,365	0	0	0	0	0	1,218,807,614	890,751	0	0
2. Paid medical incentive pools and bonuses	7,481,135	0	0	0	0	0	7,481,135	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	184,101,569	0	0	0	0	0	183,851,269	250,300	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	96,680	0	0	0	0	0	96,680	0	0	0
3.4 Net	184,004,889	0	0	0	0	0	183,754,589	250,300	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	303,743	0	0	0	0	0	303,370	373	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	354	0	0	0	0	0	354	0	0	0
4.4 Net	303,389	0	0	0	0	0	303,016	373	0	0
5. Accrued medical incentive pools and bonuses, current year	2,931,763	0	0	0	0	0	2,931,763	0	0	0
6. Net healthcare receivables (a)	(106,830,570)	0	0	0	0	0	(106,987,932)	157,362	0	0
7. Amounts recoverable from reinsurers December 31, current year	15,540	0	0	0	0	0	15,540	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	519,719,927	0	0	0	0	0	519,719,927	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	111,213	0	0	0	0	0	111,213	0	0	0
8.4 Net	519,608,714	0	0	0	0	0	519,608,714	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	536,872	0	0	0	0	0	536,872	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	216	0	0	0	0	0	216	0	0	0
9.4 Net	536,656	0	0	0	0	0	536,656	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	13,087,735	0	0	0	0	0	13,087,735	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	20,070	0	0	0	0	0	20,070	0	0	0
12. Incurred Benefits:										
12.1 Direct	991,185,654	0	0	0	0	0	990,201,592	984,062	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	489,281	0	0	0	0	0	489,281	0	0	0
12.4 Net	990,696,373	0	0	0	0	0	989,712,311	984,062	0	0
13. Incurred medical incentive pools and bonuses	(2,674,837)	0	0	0	0	0	(2,674,837)	0	0	0

(a) Excludes $ 293,058 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	54,063,332	0	0	0	0	0	53,905,970	157,362	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	6,870	0	0	0	0	0	6,870	0	0	0
1.4 Net	54,056,462	0	0	0	0	0	53,899,100	157,362	0	0
2. Incurred but Unreported:										
2.1 Direct	128,758,126	0	0	0	0	0	128,665,188	92,938	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	89,810	0	0	0	0	0	89,810	0	0	0
2.4 Net	128,668,316	0	0	0	0	0	128,575,378	92,938	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	1,280,111	0	0	0	0	0	1,280,111	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	1,280,111	0	0	0	0	0	1,280,111	0	0	0
4. TOTALS:										
4.1 Direct	184,101,569	0	0	0	0	0	183,851,269	250,300	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	96,680	0	0	0	0	0	96,680	0	0	0
4.4 Net	184,004,889	0	0	0	0	0	183,754,589	250,300	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	0	0	0	0	0	0
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	305,824,494	912,987,650	17,920,999	166,136,607	323,745,493	520,145,370
7 Title XIX - Medicaid	0	890,751	0	250,673	0	0
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	305,824,494	913,878,401	17,920,999	166,387,280	323,745,493	520,145,370
10. Healthcare receivables (a)	14,395,792	50,569,601	0	5,165,179	14,395,792	176,961,141
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	6,769,562	711,573	259,053	2,672,710	7,028,615	13,087,735
13. Totals (Lines 9 - 10 + 11 + 12)	298,198,264	864,020,373	18,180,052	163,894,811	316,378,316	356,271,964

(a) Excludes $ 293,058 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Title XVIII

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	68,844	59,785	51,909	50,653	50,480
2.	2013	1,949,986	2,080,216	2,078,515	2,076,658	2,075,832
3.	2014	XXX	2,354,298	2,519,280	2,513,927	2,510,277
4.	2015	XXX	XXX	2,530,771	2,716,029	2,715,775
5.	2016	XXX	XXX	XXX	2,490,782	2,808,258
6.	2017	XXX	XXX	XXX	XXX	913,715

Section B - Incurred Health Claims - Title XVIII

	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	71,762	59,785	51,909	50,653	50,480
2.	2013	2,129,673	2,062,734	2,078,515	2,076,658	2,075,832
3.	2014	XXX	2,570,478	2,525,551	2,513,927	2,510,277
4.	2015	XXX	XXX	2,861,086	2,766,624	2,715,775
5.	2016	XXX	XXX	XXX	2,973,420	2,826,438
6.	2017	XXX	XXX	XXX	XXX	1,082,524

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

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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	2,464,373	2,075,832	88,247	4.3	2,164,079	87.8	0	0	2,164,079	87.8
2.	2014	2,985,409	2,510,277	68,349	2.7	2,578,626	86.4	0	0	2,578,626	86.4
3.	2015	3,290,271	2,715,775	142,756	5.3	2,858,531	86.9	0	0	2,858,531	86.9
4.	2016	3,705,331	2,808,258	146,124	5.2	2,954,382	79.7	18,180	188	2,972,750	80.2
5.	2017	1,247,219	913,715	47,604	5.2	961,319	77.1	168,809	1,744	1,131,872	90.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	0	0	0	0	0
2. 2013	0	0	0	0	0
3. 2014	XXX	0	0	0	0
4. 2015	XXX	XXX	0	0	0
5. 2016	XXX	XXX	XXX	0	0
6. 2017	XXX	XXX	XXX	XXX	891

Section B - Incurred Health Claims - Title XIX

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	0	0	0	0	0
2. 2013	0	0	0	0	0
3. 2014	XXX	0	0	0	0
4. 2015	XXX	XXX	0	0	0
5. 2016	XXX	XXX	XXX	0	0
6. 2017	XXX	XXX	XXX	XXX	1,141

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2014	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2015	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2016	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2017	552	891	0	0.0	891	161.4	251	1	1,143	207.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	68,844	59,785	51,909	50,653	50,480
2. 2013	1,949,986	2,080,216	2,078,515	2,076,658	2,075,832
3. 2014	XXX	2,354,298	2,519,280	2,513,927	2,510,277
4. 2015	XXX	XXX	2,530,771	2,716,029	2,715,775
5. 2016	XXX	XXX	XXX	2,490,782	2,808,258
6. 2017	XXX	XXX	XXX	XXX	914,606

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	71,762	59,785	51,909	50,653	50,480
2. 2013	2,129,673	2,062,734	2,078,515	2,076,658	2,075,832
3. 2014	XXX	2,570,478	2,525,551	2,513,927	2,510,277
4. 2015	XXX	XXX	2,861,086	2,766,624	2,715,775
5. 2016	XXX	XXX	XXX	2,973,420	2,826,438
6. 2017	XXX	XXX	XXX	XXX	1,083,665

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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	2,464,373	2,075,832	88,247	4.3	2,164,079	87.8	0	0	2,164,079	87.8
2. 2014	2,985,409	2,510,277	68,349	2.7	2,578,626	86.4	0	0	2,578,626	86.4
3. 2015	3,290,271	2,715,775	142,756	5.3	2,858,531	86.9	0	0	2,858,531	86.9
4. 2016	3,705,331	2,808,258	146,124	5.2	2,954,382	79.7	18,180	188	2,972,750	80.2
5. 2017	1,247,771	914,606	47,604	5.2	962,210	77.1	169,060	1,745	1,133,015	90.8

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0	0	0	0	0	0	0	0	0
2. Additional policy reserves (a)	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including $ 0) for investment income	18,812,107	0	0	0	0	0	18,812,107	0	0
5. Aggregate write-ins for other policy reserves	3,448,702	0	0	0	0	0	3,448,702	0	0
6. Totals (gross)	22,260,809	0	0	0	0	0	22,260,809	0	0
7. Reinsurance ceded	0	0	0	0	0	0	0	0	0
8. Totals (Net)(Page 3, Line 4)	22,260,809	0	0	0	0	0	22,260,809	0	0
9. Present value of amounts not yet due on claims	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits	303,743	0	0	0	0	0	303,370	373	0
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	303,743	0	0	0	0	0	303,370	373	0
13. Reinsurance ceded	354	0	0	0	0	0	354	0	0
14. Totals (Net)(Page 3, Line 7)	303,389	0	0	0	0	0	303,016	373	0
DETAILS OF WRITE-INS									
0501. CMS Risk Adjustment Payable	3,448,702	0	0	0	0	0	3,448,702	0	0
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	3,448,702	0	0	0	0	0	3,448,702	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $ 0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses 1 Cost Containment Expenses	Claim Adjustment Expenses 2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
1.	Rent ($ 0 for occupancy of own building)	1,057,537	423,883	1,681,992	0	3,163,412
2.	Salary, wages and other benefits	19,788,555	7,931,667	31,473,299	0	59,193,521
3.	Commissions (less $ 0 ceded plus $ 0 assumed)	0	0	23,344,980	0	23,344,980
4.	Legal fees and expenses	191,038	76,572	303,842	0	571,452
5.	Certifications and accreditation fees	0	0	0	0	0
6.	Auditing, actuarial and other consulting services	2,062,283	826,606	3,239,308	0	6,128,197
7.	Traveling expenses	604,986	242,491	962,218	0	1,809,695
8.	Marketing and advertising	1,229,226	492,699	1,956,044	0	3,677,969
9.	Postage, express and telephone	1,098,778	440,413	1,747,658	0	3,286,849
10.	Printing and office supplies	731,281	293,113	1,163,088	0	2,187,482
11.	Occupancy, depreciation and amortization	442,333	177,296	703,521	0	1,323,150
12.	Equipment	74,877	30,012	119,090	0	223,979
13.	Cost or depreciation of EDP equipment and software	2,388,592	957,398	3,799,008	0	7,144,998
14.	Outsourced services including EDP, claims, and other services	3,147,945	5,894,845	3,647,003	0	12,689,793
15.	Boards, bureaus and association fees	31,473	12,615	50,058	0	94,146
16.	Insurance, except on real estate	269,048	107,840	427,915	0	804,803
17.	Collection and bank service charges	112,321	45,021	178,645	0	335,987
18.	Group service and administration fees	552,377	221,404	878,544	0	1,652,325
19.	Reimbursements by uninsured plans	0	0	0	0	0
20.	Reimbursements from fiscal intermediaries	0	0	0	0	0
21.	Real estate expenses	0	0	0	0	0
22.	Real estate taxes	37,814	12,932	97,257	0	148,003
23.	Taxes, licenses and fees:					
	23.1 State and local insurance taxes	0	0	379,411	0	379,411
	23.2 State premium taxes	0	0	0	0	0
	23.3 Regulatory authority licenses and fees	0	0	3,501,876	0	3,501,876
	23.4 Payroll taxes	709,577	185,967	1,877,544	0	2,773,088
	23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24.	Investment expenses not included elsewhere	0	0	0	282,508	282,508
25.	Aggregate write-ins for expenses	2,885,902	1,101,738	4,825,161	0	8,812,801
26.	Total expenses incurred (Lines 1 to 25)	37,415,943	19,474,512	86,357,462	282,508	(a) 143,530,425
27.	Less expenses unpaid December 31, current year	1,271,297	661,693	4,157,414	64,161	6,154,565
28.	Add expenses unpaid December 31, prior year	2,873,587	1,908,313	4,381,497	86,154	9,249,551
29.	Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30.	Amounts receivable relating to uninsured plans, current year	0	0	0	0	0
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	39,018,233	20,721,132	86,581,545	304,501	146,625,411
	DETAILS OF WRITE-INS					
2501.	Information Technology	225,252	90,286	358,259	0	673,797
2502.	Interest	16,018	6,420	168,496	0	190,934
2503.	Managed Care & Network Access	149,506	4,935	44,873	0	199,314
2598.	Summary of remaining write-ins for Line 25 from overflow page	2,495,126	1,000,097	4,253,533	0	7,748,756
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,885,902	1,101,738	4,825,161	0	8,812,801

(a) Includes management fees of $ 77,433,278 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) 777,572	761,661
1.1	Bonds exempt from U.S. tax	(a) 0	0
1.2	Other bonds (unaffiliated)	(a) 7,636,974	7,143,428
1.3	Bonds of affiliates	(a) 0	0
2.1	Preferred stocks (unaffiliated)	(b) 0	0
2.11	Preferred stocks of affiliates	(b) 0	0
2.2	Common stocks (unaffiliated)	0	0
2.21	Common stocks of affiliates	0	0
3.	Mortgage loans	(c) 0	0
4.	Real estate	(d) 0	0
5	Contract Loans	0	0
6	Cash, cash equivalents and short-term investments	(e) 49,678	49,678
7	Derivative instruments	(f) 0	0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	8,464,224	7,954,767
11.	Investment expenses		(g) 282,508
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 1,684
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		284,192
17.	Net investment income (Line 10 minus Line 16)		7,670,575
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ 275,602 accrual of discount less $ 4,007,368 amortization of premium and less $ 151,108 paid for accrued interest on purchases.

(b) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued dividends on purchases.

(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.

(d) Includes $ 0 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.

(e) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.

(f) Includes $ 0 accrual of discount less $ 0 amortization of premium.

(g) Includes $. 0 investment expenses and $ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ 0 interest on surplus notes and $ 0 interest on capital notes.

(i) Includes $ 0 depreciation on real estate and $ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(11,082)	0	(11,082)	0	0
1.1	Bonds exempt from U.S. tax	0	0	0	0	0
1.2	Other bonds (unaffiliated)	177,165	0	177,165	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	0	0	0	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	166,083	0	166,083	0	0
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)	0	0	0
2.	Stocks (Schedule D):			
	2.1 Preferred stocks	0	0	0
	2.2 Common stocks	0	0	0
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens	0	0	0
	3.2 Other than first liens	0	0	0
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company	0	0	0
	4.2 Properties held for the production of income	0	0	0
	4.3 Properties held for sale	0	0	0
5.	Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	0	0	0
6.	Contract loans	0	0	0
7.	Derivatives (Schedule DB)	0	0	0
8.	Other invested assets (Schedule BA)	0	0	0
9.	Receivables for securities	0	0	0
10.	Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11.	Aggregate write-ins for invested assets	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13.	Title plants (for Title insurers only)	0	0	0
14.	Investment income due and accrued	0	0	0
15.	Premiums and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection	1,148,626	6,341,281	5,192,655
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
	15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers	0	0	0
	16.2 Funds held by or deposited with reinsured companies	0	0	0
	16.3 Other amounts receivable under reinsurance contracts	0	0	0
17.	Amounts receivable relating to uninsured plans	213,509	190,108	(23,401)
18.1	Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2	Net deferred tax asset	0	0	0
19.	Guaranty funds receivable or on deposit	0	0	0
20.	Electronic data processing equipment and software	0	0	0
21.	Furniture and equipment, including health care delivery assets	0	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23.	Receivable from parent, subsidiaries and affiliates	0	0	0
24.	Health care and other amounts receivable	17,462,755	48,757,985	31,295,230
25.	Aggregate write-ins for other than invested assets	0	1,009	1,009
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	18,824,890	55,290,383	36,465,493
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28.	Total (Lines 26 and 27)	18,824,890	55,290,383	36,465,493
	DETAILS OF WRITE-INS			
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.	Miscellaneous Receivables	0	1,009	1,009
2502.				
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	1,009	1,009

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Source of Enrollment	Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	0	0	0	0	0	0
2.	Provider Service Organizations	0	0	0	0	0	0
3.	Preferred Provider Organizations	273,800	88,470	92,766	96,300	99,833	1,117,190
4.	Point of Service	0	0	0	0	0	0
5.	Indemnity Only	4	0	0	0	0	0
6.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
7.	Total	273,804	88,470	92,766	96,300	99,833	1,117,190
	DETAILS OF WRITE-INS						
0601.							
0602.							
0603.							
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

CARE IMPROVEMENT PLUS SOUTH CENTRAL INSURANCE COMPANY

NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Organization and Operation

Care Improvement Plus South Central Insurance Company (the "Company"), licensed as an accident and health insurer (limited to Medicare only products), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of XLHealth Corporation ("XLHealth"). XLHealth is a wholly owned subsidiary of United HealthCare Services, Inc. ("UHS"), a health maintenance organization management corporation that provides services to the Company under the terms of a management agreement (the "Agreement"). UHS is a wholly owned subsidiary of UnitedHealth Group Incorporated ("UnitedHealth Group"). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on January 13, 2006, as an accident and health insurer (limited to Medicare only products) in Arkansas and operations commenced in January 2007. The Company was certified as an accident and health insurer in 25 states during the year 2016. During 2017, the Company submitted license expansion requests in 24 additional states and the District of Columbia. As of December 31, 2017, the Company received license approvals from 15 additional states. The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company serves as a plan sponsor offering Medicare Advantage and Medicare Part D prescription drug insurance coverage (collectively "Medicare program") under a contract with the Centers for Medicare and Medicaid Services ("CMS"). Under the Medicare program, there are seven separate elements of payment received by the Company either during the year or at settlement in the subsequent year. These payment elements are CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk share, and the CMS coverage gap discount program ("CGDP"). Each component of the Medicare program is further defined throughout Note 1.

The Company has a contract with CMS to also serve as a plan sponsor offering a Dual Special Needs Plan ("DSNP") product. This product is solely funded by CMS. A DSNP is a specialized type of Medicare Advantage Prescription Drug Plan that is limited to dually eligible members and provides additional Medicaid coordination and clinical programs.

The Company also serves as a plan sponsor offering an Institutional Special Needs Plan ("ISNP") under a contract with CMS. An ISNP is designed to meet the needs of enrollees who reside in contracted nursing facilities by providing primary care and care management within the nursing facility, which include Medicare covered benefits, supplemental services and Part D benefits.

Effective January 1, 2017, the Company novated one of its CMS contracts to affiliate, UnitedHealthcare Insurance Company ("UHIC"). The novation agreement resulted in full control of the contract being transferred to UHIC at $0 net book value for dates of service on or after January 1, 2017. Approval for this novation was received from CMS and the Arkansas Insurance Department (the "Department"). Approvals for the asset transfer related to the novation was received from the Department and the Connecticut Insurance Department (see Note 4).

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed and permitted by the Department.

The Department recognizes only statutory accounting practices, prescribed and permitted by the State of Arkansas, for determining and reporting the financial condition and results of operations of an accident and health insurer, for determining its solvency under Arkansas Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") in effect for the accounting periods covered in the statutory basis financial statements.

No significant differences exist between the practices prescribed and permitted by the State of Arkansas and those prescribed and permitted by the NAIC SAP which materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	SSAP #	F/S Page #	F/S Line #	2017	2016
Net Income					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	$ 79,248,651	$ 241,424,946
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP: None				-	-
(3) State permitted practices that are an increase/(decrease) from NAIC SAP: None				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	$ 79,248,651	$ 241,424,946
Capital and Surplus					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	$ 347,231,260	$ 423,064,238
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP: None				-	-
(7) State permitted practices that are an increase/(decrease) from NAIC SAP: None				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	$ 347,231,260	$ 423,064,238

B. Use of Estimates in the Preparation of the Statutory Basis Financial Statements

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, aggregate health policy reserves and aggregate health claim reserves**.** The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

C. Accounting Policy

Basis of Presentation — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed and permitted by the Department. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

Accounting policy disclosures that are required by the NAIC Annual Statement Instructions are as follows:

(1–2) Bonds and short-term investments are stated at book/adjusted carrying value if they meet NAIC designation of one or two and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of three or higher. The Company does not have any mandatory convertible securities or Securities Valuation Office ("SVO") identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the SVO of the NAIC in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service;

(3–4) The Company holds no common or preferred stock;

(5) The Company holds no mortgage loans on real estate;

(6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;

(7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;

(8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;

(9) The Company holds no derivatives;

(10) Premium deficiency reserves (inclusive of conversion reserves) and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses ("CAE"), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected as an increase or decrease in reserves for life and accident and health contracts in the statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30);

(11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to its affiliate, UHS, in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general administrative expenses ("GAE") to be reported in the statutory basis statement of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in unpaid CAE in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2017 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;

(12) The Company does not carry any fixed assets on the statutory basis financial statements;

(13) Health care receivables consist of pharmacy rebates receivable estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care receivables also include receivables for amounts due to the Company for provider advances, capitation arrangements, and provider recoveries. Provider recoveries consist of claim overpayments to providers which are due back to the Company. Health care receivables are considered nonadmitted assets under the NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and/or differences between statutory practices and GAAP:

ASSETS

Cash and Invested Assets

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities, with a maturity of greater than one year at the time of purchase;

- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of book/adjusted carrying value or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or book/adjusted carrying value, respectively;

- Cash overdrafts, cash, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;

- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;

- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;

- Cash equivalents represent money-market funds. In 2016, money-market funds were classified as a component of short-term investments. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Cash equivalents, excluding money-market funds are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value as a practical expedient;

- Short-term investments represent corporate debt securities and in 2016, money-market funds. In 2017, money-market funds are now classified as cash-equivalent investments. Short-term investments have a maturity of greater than three months but less than one year at the time of purchase. Short-term investments also consist of the Company's share of an investment pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or book/adjusted carrying value depending on the composition of the underlying securities. Interest income from the pool accrues daily to participating members based upon ownership percentage;

- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital gains less capital gains tax in the statutory basis statements of operations;

- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains less capital gains tax in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company has not recorded any other-than-temporary impairments ("OTTI") for the years ended December 31, 2017 and 2016;

- The statutory basis statements of cash flows reconcile cash, cash equivalents, and short-term investments with original maturities of one year or less from the time of acquisition; whereas under GAAP, the statements of cash flows reconcile the corresponding captions of cash and cash equivalents with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and statutory reporting. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

Other Assets

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.

- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Premiums and considerations also include CMS risk adjustment receivables. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured. Premium adjustments for the CMS risk adjustment programs are accounted for as premium adjustments subject to redetermination (see Note 24).

- **Amounts Receivable Relating to Uninsured Plans** — Receivables for amounts held under uninsured plans represent the costs incurred in excess of the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Subsidies for individual members are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within net cash (used in) provided by operations in the statutory basis statements of cash flows. The Patient Protection and Affordable Care Act and its related legislation (“ACA”) mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap. As part of the CGDP, the Company records a receivable from the pharmaceutical manufacturers for reimbursement of the discounts which is included in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within net cash (used in) provided by operations in the statutory basis statements of cash flows. The Company solely administers the application of these funds and has no insurance risk.

- **Current Federal Income Tax Recoverable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A current federal income tax recoverable is recognized when the Company’s allocated intercompany estimated payments are more than its actual calculated obligation based on the Company’s stand-alone federal income tax return (see Note 9).

- **Net Deferred Tax Asset** — The NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under the NAIC SAP, the change in deferred tax assets is recorded directly to unassigned surplus in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under the NAIC SAP, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheet.

LIABILITIES

- **Claims Unpaid and Aggregate Health Claim Reserves** — Claims unpaid and aggregate health claim reserves include claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

  The reserves ceded to reinsurers for claims unpaid and aggregate health claim reserves have been reported as reductions of the related reserves rather than as assets, which would be required under GAAP.

  The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2017 and 2016. Management believes the amount of claims unpaid and aggregate health claim reserves is a best estimate of the Company’s liability for unpaid claims and aggregate health claim reserves as of December 31, 2017; however, actual payments may differ from those established estimates.

  The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company’s enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

- **Accrued Medical Incentive Pool and Bonus Amounts** — The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any surpluses in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has incentive and bonus arrangements with providers that are based on quality, utilization, and/or various health outcome measures. The estimated amount due to providers that meet the established metrics is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Aggregate Health Policy Reserves** — Aggregate health policy reserves include:

  a) CMS risk corridor payables for which adjustments are based on whether the ultimate per member per month ("PMPM") benefit costs of any Medicare Part D program plan varies more than 5% below the level estimated in the original bid submitted by the Company and approved by CMS (see Note 24);

  b) CMS risk adjustment payables. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable (see Note 24);

  c) estimated rebates payable on the Medicare products, if the medical loss ratios on these fully insured products, as calculated under the definitions of the ACA (see Note 14) and implementing regulations, fall below certain targets. The Company is required to rebate the ratable portions of the premiums annually (see Note 24).

- **Premiums Received in Advance** — Premiums received in full during the current period that are not due until future periods are recorded as premiums received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. General expenses due or accrued also include the amounts for unpaid assessments and state income taxes.

- **Remittances and Items Not Allocated** — Remittances and items not allocated generally represent monies received from policyholders for monthly premium billings or providers that have not been specifically identified or applied prior to year-end. The majority is from monies received in the lockbox account on the last day of the year.

- **Amounts Due to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts due to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Liability for Amounts Held Under Uninsured Plans** — Liability for amounts held under uninsured plans represents costs incurred that are associated with the gap coverage discount program. The ACA mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap. These discounts are pre-funded for the members by CMS and a liability for the amount subject to recoupment is recorded in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within net cash (used in) provided by operations in the statutory basis statements of cash flows. The Company solely administers the application of these funds and has no insurance risk.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain amounts receivable relating to uninsured plans, and certain health care receivables are considered nonadmitted assets under the NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.

- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of $3,776,265 and $4,079,018 as of December 31, 2017 and 2016, respectively, in compliance with the various states requirements for qualification purposes as a domestic and foreign insurer. These restricted cash reserves consist principally of government obligations and are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.

- **Minimum Capital and Surplus** — Under the laws of the State of Arkansas, the Company's domiciliary state, the Department requires the Company to maintain a minimum capital and surplus equal to $100,000.

  Risk-based capital ("RBC") is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The Department requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula, or the level needed to avoid action pursuant to the trend test in the RBC formula. The Company is also subject to minimum capital and surplus requirements in other states where it is licensed to do business.

  The Company is also subject to minimum capital and surplus requirements in other states where it is licensed to do business.

  The Company has $347,231,260 and $423,064,238 in total statutory basis capital and surplus as of December 31, 2017 and 2016, respectively, which is in compliance with the required amounts where it is licensed to do business.

- **Section 9010 ACA Subsequent Fee Year Assessment**— The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under the NAIC SAP, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required. In accordance with the 2017 Health Insurer Fee ("HIF") moratorium, no HIF was payable in 2017, therefore no amounts were apportioned out in the 2016 statutory basis statements of admitted assets, liabilities, and capital and surplus.

STATEMENTS OF OPERATIONS

- **Net Premium Income and Change in Reserve for Rate Credits** — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums paid and reinsurance premiums incurred but not paid in the statutory basis statements of operations.

  Net premium income includes premium under the Medicare Advantage, DSNP, and ISNP programs, which includes CMS premium in some instances and member premium. It also includes premium under the Medicare program, which includes CMS premium, member premium, and CMS low-income premium subsidy for the Company's insurance risk coverage. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive health care services and prescription drug benefits.

  Net premium income also includes amounts pursuant to the CMS risk adjustment program. The Company recognized $75,513,505 and $38,079,770 for changes in prior year Medicare risk factor estimates during the years ended December 31, 2017 and 2016, respectively, which is recorded as net premium income in the statutory basis statements of operations.

  The Company also records estimates related to the CMS risk corridor program. Changes to these estimates are reflected as change in reserve for rate credits in the statutory basis statements of operations.

  Medicare Advantage plans and Part D prescription drug plans are subject to medical loss ratio requirements under the ACA. Plans with medical loss ratios that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as change in reserve for rate credits in the statutory basis statements of operations.

- **Total Hospital and Medical Expenses** — Total hospital and medical expenses include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

  Total hospital and medical expenses also include amounts incurred for incentive pool, withhold adjustments, and bonus amounts that are based on the underlying contractual provisions with the respective providers. In addition, adjustments to claims unpaid estimates and aggregate health claim reserves are reflected in the period once the change in estimate is identified and included in total hospital and medical expenses in the statutory basis statements of operations.

- **General Administrative Expenses** — Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the Agreement are directly expensed as incurred. State income taxes are also a component of GAE. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and GAE to be reported in the statutory basis statements of operations.

  The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity's annual fee becomes payable once the entity provides health insurance for any U.S. health risk during the calendar year, which is nondeductible for tax purposes. Under the NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in GAE in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year.

- **Net Investment Income Earned** — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).

- **Federal Income Taxes Incurred** —The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 35% to net gain from operations before federal income taxes and net realized capital gains subject to certain adjustments (see Note 9).

- **Comprehensive Income** — Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

REINSURANCE

- **Reinsurance Ceded** —In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred but not paid are deducted from net premium income in the statutory basis statements of operations. Any amounts due to the Company pursuant to this agreement are recorded as amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 10 and Note 23).

- **Amounts Recoverable from Reinsurers** —The Company records amounts recoverable from reinsurers for claims paid pursuant to the reinsurance agreement with Unimerica Insurance Company ("Unimerica") in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net reinsurance recoveries in the statutory basis statements of operations.

- **Ceded Reinsurance Premiums Payable** —The ceded reinsurance premiums payable balance represents amounts due to the reinsurer for specified coverage which will be paid based on the contract terms.

OTHER

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

Direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, from members and CMS related to the Medicare program as a percentage of total direct premiums written and total uncollected premiums, including receivables subject to redetermination, are 100% as of and for the years ended December 31, 2017 and 2016, respectively.

Recently Issued Accounting Standards — In March 2017, the NAIC revised Statement of Statutory Accounting Principles (“SSAP”) No. 35R, *Guaranty Fund and Other Assessments* for the accounting and disclosure requirements related to the required discounting of liabilities and assets related to assessments from insolvencies of entities that wrote long-term care contracts. This revised guidance is effective for reporting periods after January 1, 2017. The Company adopted the revised accounting and disclosure requirements in 2017 and the impact is not material to the statutory basis financial statements.

In March 2017, the NAIC revised SSAP No. 2R, *Cash, Drafts, and Short-Term Investments* for the presentation of money-market fund balances. Money-market funds are now included as a component of cash equivalents in 2017, whereas in 2016, money-market funds were included as a component of short-term investments. This revised guidance is effective for reporting periods on and after December 31, 2017. The Company adopted the revised change in presentation in 2017. The financial statements and related disclosures for the two years being presented conform with this change in presentation.

In April 2017, the NAIC revised SSAP No. 26R, *Bonds* for the measurement method of mandatory convertible securities and SVO identified funds (i.e.: exchange traded funds and bond mutual funds) investments. The Company has adopted the revised guidance effective December 31, 2017. This guidance does not have a material impact to the statutory basis financial statements.

The Company reviewed all other recently issued guidance in 2017 and 2016 that has been adopted for 2017 or subsequent years’ implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

D. Going Concern

The Company has the ability and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles have been recorded during the years ended December 31, 2017 and 2016.

There were no correction of errors recorded during the year ended December 31, 2017.

During 2015, the Company determined that it had overstated general and administrative expenses related to the calculation of management fees by $33,851,626 for the year ended December 31, 2014. In addition, the federal income taxes benefit and state income taxes expense as a result of this error was understated by $11,843,737 and $12,377, respectively, for the year ended December 31, 2014. Had the above adjustment been recorded to the 2014 statutory basis financial statements, the increase (decrease) to net income, total capital and surplus, total assets and total liabilities would have been $21,995,512, $21,995,512, ($11,856,114), and ($33,851,626), respectively. Due to the significance of the error, the cumulative effect of this prior year error was corrected by the Company in accordance with Statements of Statutory Accounting Principles (“SSAP”) No. 3, Accounting Changes and Corrections of Errors, and is reflected in the statutory basis statements of changes in capital and surplus as a SSAP No. 3 correction of prior year error for the year ended December 31, 2016.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2017 and 2016, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

A. Discontinued Operation Disposed of or Classified as Held for Sale

(1–4) The Company did not discontinue any operations during 2017 and 2016; however, the Company did make the decision to novate its R9896 contract with CMS. Effective January 1, 2017, the Company novated one if its CMS contracts to affiliate, UHIC. The Medicare revenue associated with this novation represented 67% of total direct premiums written as of December 31, 2016. The novation agreement resulted in full control of the contract being transferred to UHIC at $0 net book value for dates of service on or after January 1, 2017. Approval for this novation was received from CMS and the Department. Approvals for the asset transfer related to the novation was received from the Department and the Connecticut Insurance Department.

B. Change in Plan of Sale of Discontinued Operation — Not applicable.

C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal — Not applicable.

D. Equity Interest Retained in the Discontinued Operation after Disposal — Not applicable.

5. INVESTMENTS AND OTHER INVESTED ASSETS

Money-market funds activity is now included as a component of cash equivalents in 2017, whereas in 2016, money-market funds activity was included as a component of short-term investments. The amounts in the following disclosures and corresponding tables reflect this change in presentation.

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were $359,049 and $192,966, respectively, for 2017 and $3,300,790 and $639,483, respectively, for 2016. The Company did not have any gross realized gains and losses on sales of short-term investments for 2017 and 2016. The net realized gain is included in net realized capital gains less capital gains tax in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were $95,202,149 and $279,520,571 and for short-term investments were $133,192,775 and $271,923,326 in 2017 and 2016, respectively.

As of December 31, 2017 and 2016, the book/adjusted carrying value, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash overdrafts, cash, and cash equivalents of $2,708,324 and $235,128,988, respectively, are as follows:

	2017				
	Book/Adjusted Carrying Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 70,615,814	$ 42,207	$ 164,258	$ 1,609,797	$ 68,883,966
State and agency municipal securities	51,054,826	626,271	82,469	141,268	51,457,360
City and county municipal securities	65,309,786	649,920	121,383	90,960	65,747,363
Corporate debt securities	132,296,089	779,730	321,434	293,069	132,461,316
Total bonds and short-term investments	$ 319,276,515	$ 2,098,128	$ 689,544	$ 2,135,094	$318,550,005

	2017				
	Book/Adjusted Carrying Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
Less than one year	$ 5,153,349	$ 4,399	$ 10,507	$ -	$ 5,147,241
One to five years	159,520,715	653,911	451,018	1,048,157	158,675,451
Five to ten years	87,979,365	988,708	95,680	558,002	88,314,391
Over ten years	66,623,086	451,110	132,339	528,935	66,412,922
Total bonds and short-term investments	$ 319,276,515	$ 2,098,128	$ 689,544	$ 2,135,094	$318,550,005

	2016				
	Book/Adjusted Carrying Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 54,446,628	$ 2,950	$ 1,972,445	$ -	$ 52,477,133
State and agency municipal securities	60,147,620	156,726	800,375	-	59,503,971
City and county municipal securities	96,891,099	286,839	1,189,817	-	95,988,121
Corporate debt securities	127,868,529	568,452	517,744	222,400	127,696,837
Money-market funds	15,365,292	-	-	-	15,365,292
Total bonds and short term investments	$ 354,719,168	$ 1,014,967	$ 4,480,381	$ 222,400	$351,031,354

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at a book/adjusted carrying value of $33,493,257 and fair value of $33,074,991.

The following table illustrates the fair value and gross unrealized holding losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2017 and 2016:

	2017					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 14,886,469	$ 164,258	$ 43,652,952	$ 1,609,797	$ 58,539,421	$ 1,774,055
State and agency municipal securities	13,128,105	82,469	6,114,298	141,268	19,242,403	223,737
City and county municipal securities	17,297,208	121,383	5,043,078	90,960	22,340,286	212,343
Corporate debt securities	44,831,138	321,434	21,245,097	293,069	66,076,235	614,503
Total bonds and short-term	$ 90,142,920	$ 689,544	$ 76,055,425	$ 2,135,094	$ 166,198,345	$ 2,824,638

	2016					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 49,603,434	$ 1,972,445	$ -	$ -	$ 49,603,434	$ 1,972,445
State and agency municipal securities	43,384,591	800,375	-	-	43,384,591	800,375
City and county municipal securities	56,259,020	1,189,817	-	-	56,259,020	1,189,817
Corporate debt securities	37,939,681	517,744	11,065,954	222,400	49,005,635	740,144
Total bonds and short-term investments	$ 187,186,726	$ 4,480,381	$ 11,065,954	$ 222,400	$ 198,252,680	$ 4,702,781

The unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2017 and 2016, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipal, local agency and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, no OTTIs were recorded by the Company as of December 31, 2017 and 2016.

A–C. The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.

D. Loan-Backed Securities

(1) U.S. government and agency securities and corporate debt securities include loan-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.

(2) The Company did not recognize any OTTI on loan-backed securities as of December 31, 2017 and 2016.

(3) The Company did not have any loan-backed securities with an OTTI to report by CUSIP as of December 31, 2017 or 2016.

(4) The following table illustrates the fair value, gross unrealized losses, and length of time that the loan-backed securities have been in a continuous unrealized loss position as of December 31, 2017 and 2016:

	2017
The aggregate amount of unrealized losses:	
1. Less than 12 months	$ 129,629
2. 12 months or longer	368,643
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	$ 13,588,234
2. 12 months or longer	16,902,266

	2016
The aggregate amount of unrealized losses:	
1. Less than 12 months	$ 414,141
2. 12 months or longer	211,297
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	$ 14,001,744
2. 12 months or longer	7,720,235

(5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrealized losses as of December 31, 2017 and 2016 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

E. **Dollar Repurchase Agreements and/or Securities Lending Transactions** — Not applicable.

F. **Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.

G. **Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.

H. **Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.

I. **Reverse Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.

J. **Real Estate** — Not applicable.

K. **Low-Income Housing Tax Credits** — Not applicable.

L. Restricted Assets

(1) Restricted assets, including pledged securities as of December 31, 2017 and 2016, are presented below:

	1	2	3	4	5	6	7
Restricted Asset Category	Total Gross (Admitted & Nonadmitted) Restricted From Current Year	Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	Increase/ (Decrease) (1 Minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	$ -	0 %	0 %
b. Collateral held under security lending agreements	-	-	-	-	-	0 %	0 %
c. Subject to repurchase agreements	-	-	-	-	-	0 %	0 %
d. Subject to reverse repurchase agreements	-	-	-	-	-	0 %	0 %
e. Subject to dollar repurchase agreements	-	-	-	-	-	0 %	0 %
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	0 %	0 %
g. Placed under option contracts	-	-	-	-	-	0 %	0 %
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	0 %	0 %
i. FHLB capital stock	-	-	-	-	-	0 %	0 %
j. On deposit with states	3,776,265	4,079,018	(302,753)	-	3,776,265	1 %	1 %
k. On deposit with other regulatory bodies	-	-	-	-	-	0 %	0 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	0 %	0 %
m. Pledged as collateral not captured in other categories	-	-	-	-	-	0 %	0 %
n. Other restricted assets	-	-	-	-	-	0 %	0 %
o. Total restricted assets	$ 3,776,265	$ 4,079,018	$ (302,753)	$ -	$ 3,776,265	1 %	1 %

(a) Column 1 divided by Asset Page, Column 1, Line 28
(b) Column 5 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2017 or 2016.

M. Working Capital Finance Investments — Not applicable.

N. Offsetting and Netting of Assets and Liabilities

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

O. Structured Notes

The Company does not have any structured notes.

P. 5* Securities

The Company does not have any investments with an NAIC designation of 5* as of December 31, 2017 and 2016.

Q. Short Sales — Not applicable.

R. Prepayment Penalty and Acceleration Fees — Not applicable.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

A–B. The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

7. INVESTMENT INCOME

A. The Company excludes all investment income due and accrued amounts that are over 90 days past due from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

B. There were no investment income amounts excluded from the statutory basis financial statements.

8. DERIVATIVE INSTRUMENTS

A–F. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset/(liability) at December 31, 2017 and 2016, are as follows:

	2017			2016			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Gross deferred tax ass	$ 4,262,245	$ -	$ 4,262,245	$ 20,867,582	$ -	$ 20,867,582	$ (16,605,337)	$ -	$ (16,605,337)
(b) Statutory valuation allowance adjustments	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	4,262,245	-	4,262,245	20,867,582	-	20,867,582	(16,605,337)	-	(16,605,337)
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - '	4,262,245	-	4,262,245	20,867,582	-	20,867,582	(16,605,337)	-	(16,605,337)
(f) Deferred tax liabilities	36,182	3,694	39,876	93,980	4,111	98,091	(57,798)	(417)	(58,215)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	$ 4,226,063	$(3,694)	$ 4,222,369	$ 20,773,602	$ (4,111)	$ 20,769,491	$ (16,547,539)	$ 417	$ (16,547,122)

(2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes—A Replacement of SSAP No. 10R and SSAP No. 10,* are as follows:

	2017			2016			Change		
Admission Calculation Components SSAP No. 101	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 4,262,245	$ -	$ 4,262,245	$ 20,867,582	$ -	$ 20,867,582	$ (16,605,337)	$ -	$ (16,605,337)
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	51,451,334	XXX	XXX	60,344,212	XXX	XXX	(8,892,878)
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	-	-	-	-	-	-	-	-	-
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	$ 4,262,245	$ -	$ 4,262,245	$ 20,867,582	$ -	$ 20,867,582	$ (16,605,337)	$ -	$ (16,605,337)

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

	2017	2016
(a) Ratio percentage used to determine recovery period and threshold limitation amount	979 %	351 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	$ 343,008,891	$ 402,294,747

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2017 and 2016, is presented below:

	2017		2016		Change	
Impact of Tax-Planning Strategies	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col 1 - 3) Ordinary	6 (Col 2 - 4) Capital
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage.						
1. Adjusted gross DTAs amount from Note 9A1(c)	$ 4,262,245	$ -	$ 20,867,582	$ -	$ (16,605,337)	$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	$ 4,262,245	$ -	$ 20,867,582	$ -	$ (16,605,337)	$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
(b) Does the Company's tax-planning strategies include the use of reinsurance?			Yes		No X	

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2017 and 2016.

C. Significant Components of Income Taxes

(1) The current federal and foreign income taxes incurred for the years ended December 31, 2017 and 2016 are as follows:

	1 2017	2 2016	3 (Col 1 - 2) Change
1. Current income tax			
(a) Federal	$ 39,751,773	$ 159,784,303	$ (120,032,530)
(b) Foreign	-	-	-
(c) Subtotal	39,751,773	159,784,303	(120,032,530)
(d) Federal income tax on net capital gains	105,923	863,000	(757,077)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	$ 39,857,696	$ 160,647,303	$ (120,789,607)

(2–4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2017 and 2016, are as follows:

	1 2017	2 2016	3 (Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	$ 286,864	$ 1,451,834	$ (1,164,970)
(2) Unearned premium reserve	22,154	64,114	(41,960)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables—nonadmitted	3,953,227	19,351,634	(15,398,407)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	-	-	-
(99) Subtotal	4,262,245	20,867,582	(16,605,337)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	4,262,245	20,867,582	(16,605,337)
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	4,262,245	20,867,582	(16,605,337)
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	34,094	88,816	(54,722)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities	2,088	5,164	(3,076)
(99) Subtotal	36,182	93,980	(57,798)
(b) Capital:			
(1) Investments	3,694	4,111	(417)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities	-	-	-
(99) Subtotal	3,694	4,111	(417)
(c) Deferred tax liabilities (3a99 + 3b99)	39,876	98,091	(58,215)
4 Net deferred tax assets/liabilities (2i - 3c)	$ 4,222,369	$20,769,491	$ (16,547,122)

The other ordinary deferred tax liability of $2,088 and $5,164 for 2017 and 2016, respectively, consists of premium acquisition expense.

On December 22, 2017, the U.S. federal government enacted a tax bill, H.R.1, An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (“Tax Reform”). Tax Reform changed existing United States tax law including a reduction of the U.S. corporate tax rate. The Company has accounted for the impacts of Tax Reform by remeasuring its deferred tax assets/(liabilities) at the 21% enacted tax rate. The approximate impact of the change in tax rate was a decrease in net deferred tax assets/(liabilities) of $2,814,913. This change is made up of the following components:

Change in net deferred income tax	$ 2,814,913
Change in net unrealized capital gains or (losses) less capital gains tax	-
Change in statutory valuation allowance adjustment	-
Change in nonadmitted deferred tax assets	-
Total	$ 2,814,913

The Company’s deferred tax assets/(liabilities) for the year ended December 31, 2016 remain at the previously enacted tax rate. The Company’s measurement of the income tax effects of Tax Reform for the year ended December 31, 2017 is reasonably estimated.

The Company assessed the potential realization of the gross deferred tax asset and as a result no statutory valuation allowance was required and no allowance was established as of December 31, 2017 and 2016.

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income before federal income taxes incurred, plus capital gains tax. A summarization of the significant items causing this difference as of December 31, 2017 and 2016 is as follows:

	2017		2016	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Tax provision at the federal statutory rate	$ 41,687,222	35%	$ 140,725,287	35%
Tax-exempt interest	(881,526)	(1)%	(1,250,343)	0%
Health insurer fee	-	0%	20,773,399	5%
Other current year items	21,374	0%	-	0%
Tax effect of nonadmitted assets	12,762,923	11%	(3,241,869)	(1)%
Prior year true-up	(88)	0%	4,419	0%
Change in tax law	2,814,913	2%	-	0%
Other	-	0%	(118,117)	0%
Total statutory income taxes	$ 56,404,818	47%	$ 156,892,776	39%
Federal income taxes incurred	$ 39,751,773	33%	$ 159,784,303	40%
Capital gains tax	105,923	0%	863,000	0%
Change in net deferred income tax	16,547,122	14%	(3,754,527)	(1)%
Total statutory income taxes	$ 56,404,818	47%	$ 156,892,776	39%

E. At December 31, 2017, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable of $68,218 and $4,653,117 as of December 31, 2017 and 2016, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were $35,272,797 and $174,452,117 in 2017 and 2016, respectively.

Federal income taxes incurred of $39,857,783 and $160,642,797 for 2017 and 2016, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 (“Deposits made to suspend running of interest on potential underpayments, etc.”) of the Internal Revenue Service (“IRS”) Code.

F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y—Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group’s consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group’s 2017 tax returns are under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2011 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

G. **Tax Contingencies** — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–N. Material Related Party Transactions

Pursuant to the terms of a the Agreement, UHS will provide management services to the Company under a fee structure, which is based on a percentage of premium charges representing UHS' expenses for services or use of assets provided to the Company. In addition, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a PMPM basis (where the charges incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services may include, but are not limited to, integrated personal health management solutions, such as disease management, treatment decision support, and wellness services, including a 24-hour call-in service, access to a network of transplant providers, and discount program services. The amount and types of services provided pursuant to the pass-through provision of the Agreement can change year over year as UHS becomes the contracting entity for services provided to the Company's members. Total administrative services, capitation, and access fees under this arrangement totaled $105,934,819 and $357,199,290 in 2017 and 2016, respectively, and are included in total hospital and medical expenses, GAE, and CAE in the statutory basis statements of operations. Direct expenses not covered under the Agreement, such as broker commissions, Department exam fees, ACA assessments, and premium taxes, are paid by UHS on behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

The Company also directly contracts with related parties to provide services to its members. The Company expensed as hospital and medical expenses, GAE, and CAE $23,446,069 and $26,532,288 in capitation expenses, administrative services, and access fees paid to related parties during 2017 and 2016, respectively. LifePrint Health, Inc. provides services to health care delivery systems. United Behavioral Health provides mental health and substances abuse services. Dental Benefit Providers, Inc. provides dental care assistance. Spectera, Inc. provides administrative services related to vision benefit management and claims processing. OptumHealth Care Solutions, Inc. provides chiropractic, physical therapy and complex medical conditions services. The capitation expenses, administrative services, and access fees paid to related parties that are included as hospital and medical expenses, GAE, and CAE in the statutory basis statements of operations for the years ended December 31, 2017 and 2016, are shown below:

	2017	**2016**
LifePrint Health, Inc.	$19,394,298	$16,245,631
United Behavioral Health	2,897,060	8,020,201
Dental Benefit Providers, Inc.	725,548	1,170,515
Spectera, Inc.	354,183	984,420
OptumHealth Care Solutions, Inc.	74,980	111,521
Total	$23,446,069	$26,532,288

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company contracts with OptumRx to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements, which are calculated on a per- claim basis, of $17,380,566 and $27,913,793 in 2017 and 2016, respectively, are included in GAE and CAE in the statutory basis statements of operations.

The Company contracts with OptumRx to provide personal health products catalogues showing the healthcare products and benefit credits needed to redeem the respective products. OptumRx will mail the appropriate personal health products catalogues to the Company's members and manage the personal health products credit balance. OptumRx also distributes personal health products to individual members based upon the terms of the agreement. Fees related to these agreements in 2017 and 2016, which are calculated on a PMPM basis, of $6,570,640 and $676,440, respectively, are included in hospital and medical expenses in the statutory basis statements of operations.

The Company contracts with OptumRx to provide durable medical equipment services and/or orthotics and prosthetics to the Company's members. Fees related to these agreements in 2017 and 2016, which are calculated on a per-claim basis, of $45,165 and $4,323,009, respectively, are included in hospital and medical expenses in the statutory basis statements of operations.

The Company has an agreement with OptumInsight, Inc., an affiliate of the Company, for claim analytics, recovery of medical expense overpayments, retroactive fraud, waste and abuse, subrogation and premium audit services. All recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis and a capitated service fee is charged to the Company as a PMPM. Service fees of $3,419,607 and $11,761,501 are included in hospital and medical expenses, CAE, and GAE in the statutory basis statements of operations for the years ended December 31, 2017 and 2016, respectively.

The Company has premium payments that are received and claim payments that are processed by an affiliated UnitedHealth Group entity. Both premiums and claims applicable to the Company are settled at regular intervals throughout the month via the intercompany settlement process and any amounts outstanding are reflected in amounts due to parent, subsidiaries, and affiliates, net in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

Effective February 1, 2016, the Company entered into an agreement with AlexaCare Intermediate Holding, LLC, an affiliate of the Company, for home infusion therapy services. The charges incurred for these services are included in hospital and medical expenses in the statutory basis financial statements for the years ended December 31, 2017 and 2016.

Effective May 1, 2016, the Company entered into an agreement with MedExpress Urgent Care of Boynton Beach, LLC and DWIC of Tampa Bay, Inc, an affiliate of the Company, for home urgent care services. The charges incurred for these services are included in hospital and medical expenses in the statutory basis financial statements for the years ended December 31, 2017 and 2016.

The Company has a reinsurance agreement with an affiliated entity, Unimerica, to cede 100% of obligations relating to human organ and bone marrow transplants and related services, infertility treatments and services, mental health and substance abuse treatments and services and chiropractic, physical and occupational therapy treatments and services for musculoskeletal conditions. Reinsurance premiums, which are calculated on a PMPM rate of earned Medicare and Medicaid member premiums, of $353,892 and $395,400 for the years ended December 31, 2017 and 2016, respectively were netted against net premium income in the statutory basis statement of operations. Reinsurance recoveries of $489,282 and $599,723 as of December 31, 2017 and 2016, respectively are included in net reinsurance recoveries in the statutory basis statement of operations. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company. The reinsurance agreement was terminated effective December 31, 2017.

The Company holds a $100,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate both plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was effective January 1, 2013. No amounts were outstanding under the line of credit as of December 31, 2017 and 2016. The total amount of interest paid or still accrued on all borrowings throughout the year was $1,684 and $0 as of December 31, 2017 and 2016, respectively.

At December 31, 2017 and 2016, the Company reported $24,898,677 and $45,775,911, respectively, as amounts due to parent, subsidiaries, and affiliates, net which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of $175,000,000 and $150,000,000 in 2017 and 2016, respectively, to its parent (see Note 13).

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company does not have any investments in non-insurance subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

11. DEBT

A–B. The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2017 and 2016.

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

A–I. The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of the Agreement (see Note 10).

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

(1–2) The Company has 200,000 shares authorized and 100,000 shares issued and outstanding of $20 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, XLHealth.

(3) Payment of dividends may be restricted by the Department, which generally requires that dividends be paid out of accumulated surplus.

(4) The Company paid ordinary cash dividends to XLHealth of $75,000,000, $50,000,000, $50,000,000, $75,000,000, and $75,000,000 on December 27, 2017, September 27, 2017, June 15, 2017, December 14, 2016 and September 26, 2016, respectively, which were approved by the Department and recorded as a reduction to unassigned surplus in the statutory basis of admitted assets, liabilities, and capital and surplus.

(5) The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.

(6) There are no restrictions placed on the Company's unassigned surplus.

(7) The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.

(8) The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.

(9) For the year ended December 31, 2017, the amount of the estimated Section 9010 ACA subsequent fee year apportioned out of unassigned surplus was $26,815,626. As discussed in Note 1, in 2016 no amount was required to be apportioned out of unassigned surplus for the Section 9010 ACA subsequent fee year assessment.

(10) The portion of unassigned surplus, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, correction of an error, net income, and dividends, represented (or reduced) by each item below is as follows:

	2017	2016	Change
Net deferred income taxes	$ 4,222,369	$ 20,769,491	$ (16,547,122)
Nonadmitted assets	(18,824,890)	(55,290,383)	36,465,493
Total	$ (14,602,521)	$ (34,520,892)	$ 19,918,371

(11–13) The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company is not aware of any guarantee fund assessments or premium tax offsets, potential or accrued, that could have a material financial effect on the operations of the entity.

C. Gain Contingencies

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

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

E. Joint and Several Liabilities — Not applicable.

F. All Other Contingencies

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The ACA and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing the Company's liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition, and cash flows could be materially adversely affected by such changes. The ACA may create new or expand existing opportunities for business growth, but due to its complexity, the long term impact of the ACA remains difficult to predict and is not yet fully known.

The Company has been, or is currently involved, in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. Certain of the Company's businesses have been reviewed or are currently under review, for reasons including compliance with coding and other requirements under the Medicare risk-adjustment model.

On February 14, 2017, the Department of Justice ("DOJ") announced its decision to pursue certain claims within a lawsuit initially asserted against the Company and filed under seal by a whistleblower in 2011. The whistleblower's complaint, which was unsealed on February 15, 2017, alleges that the Company, along with a number of other Medicare Advantage plans, made improper risk adjustment submissions and violated the False Claims Act. On March 24, 2017, the DOJ intervened in a separate lawsuit initially asserted against the Company and filed by a whistleblower in 2009 concerning risk adjustment submissions by Medicare Advantage plans. On October 5, 2017, in one of the cases, the district court dismissed certain of the DOJ's claims with prejudice, and dismissed all of the DOJ's remaining claims with leave to file a further amended complaint. On October 12, 2017, the DOJ filed a notice of dismissal without prejudice of the case. The other case is now pending in the U.S. District Court for the Central District of California. The Company cannot reasonably estimate the outcome that may result from these matters given their current posture.

Risk Adjustment Data Validation ("RADV") Audit — CMS adjusts capitation payments to Medicare Advantage plans and Medicare Part D plans according to the predicted health status of each beneficiary as supported by data from health care providers. The Company collects claim and encounter data from providers who the Company generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted and member demographic information.

CMS and the Office of Inspector General for Health and Human Services periodically perform RADV audits of selected Medicare health plans to validate the coding practices and supporting documentation maintained by health care providers. Such audits have in the past resulted in, and in the future could result in, retrospective adjustments to payments made to the Company, fines, corrective action plans or other adverse action by CMS.

In February 2012, CMS announced a final RADV and payment adjustment methodology and is conducting the RADV audits beginning with the 2011 payment year. These audits involve a review of medical records maintained by care providers and may result in retrospective adjustments to payments made to health plans. CMS has not communicated how the final payment adjustment under its methodology will be implemented.

In May 2016, CMS informed the Company that it had been selected to participate in a RADV audit covering 2012 dates of service (2013 payment year). The Company cannot reasonably estimate the range of loss, if any, that may result from any material government investigations, audits and reviews in which it is currently involved given the inherent difficulty in predicting regulatory action, fines and penalties, if any, and the various remedies and levels of judicial review available to the Company in the event of an adverse finding.

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters: involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company routinely evaluates the collectability of all receivable amounts included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no assets that the Company considers to be impaired at December 31, 2017 and 2016.

15. LEASES

A–B. According to the Agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

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

(1–4) The Company does not hold any financial instruments with off-balance-sheet risk or have any concentrations of credit risk.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A–C. The Company did not participate in any transfer of receivables, financial assets, or wash sales.

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

A–B. The Company has no operations from Administrative Services Only Contracts or Administrative Services Contracts in 2017 and 2016.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

The Medicare Part D program is a partially insured plan. The Company recorded a receivable in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital surplus of $5,392,420 and $63,926,966 at December 31, 2017 and 2016, respectively, for cost reimbursement under the Medicare program for the catastrophic reinsurance and low-income member cost-sharing subsidies as described in Note 1, *Amounts Receivable Relating to Uninsured Plans*. The Company also recorded a receivable of $2,554,404 and $9,101,107 and also a payable of $4,926,873 and $4,657,092 at December 31, 2017 and 2016, respectively, for the Medicare Part D CGDP as described in Note 1, *Amounts Receivable Relating to Uninsured Plans* and *Liability for Amounts Held Under Uninsured Plans.*

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2017 and 2016.

20. FAIR VALUE MEASUREMENT

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1—Quoted (unadjusted) prices for identical assets in active markets.

Level 2—Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3—Unobservable inputs that cannot be corroborated by observable market data.

Money-market funds activity is now included as a component of cash equivalents in 2017, whereas in 2016, money-market funds activity was included as a component of short-term investments. The amounts in the following disclosures and corresponding tables reflect this change in presentation.

The estimated fair values of bonds and short-term investments are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

A. Fair Value

(1–5) The Company does not have any financial assets that are measured and reported at fair value in the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2017 and 2016.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2017 and 2016 is presented in the table below:

Types of Financial Investment	2017 Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
U.S. government and agency securities	$ 68,883,966	$ 70,615,814	$ 35,808,976	$ 33,074,990	$ -	$ -
State and agency municipal securities	51,457,360	51,054,826	-	51,457,360	-	-
City and county municipal securities	65,747,363	65,309,786	-	65,747,363	-	-
Corporate debt securities	132,461,316	132,296,089	1,209	132,460,107	-	-
Total bonds and short-term investments	$ 318,550,005	$ 319,276,515	$ 35,810,185	$ 282,739,820	$ -	$ -

Types of Financial Investment	2016 Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
U.S. government and agency securities	$ 52,477,133	$ 54,446,628	$ 36,307,752	$ 16,169,381	$ -	$ -
State and agency municipal securities	59,503,971	60,147,620	-	59,503,971	-	-
City and county municipal securities	95,988,121	96,891,099	-	95,988,121	-	-
Corporate debt securities	127,696,837	127,868,529	-	127,696,837		
Money-market funds	15,365,292	15,365,292	15,365,292	-	-	-
Total bonds and short-term investments	$ 351,031,354	$ 354,719,168	$ 51,673,044	$ 299,358,310	$ -	$ -

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of $35,808,976 and $36,307,752 as of December 31, 2017 and December 31, 2016, respectively.

There are no commercial paper investments included in corporate debt securities in the fair value hierarchy tables above as of December 31, 2017 and 2016.

D. Not Practicable to Estimate Fair Value — Not applicable.

21. OTHER ITEMS

A. Unusual or Infrequent Items

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2017 and 2016.

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings as of December 31, 2017 and 2016.

C. Other Disclosures

The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments that are not derivative instruments.

D. Business Interruption Insurance Recoveries

The Company has not received any business interruption insurance recoveries during 2017 and 2016.

E. State Transferable and Non-transferable Tax Credits

The Company has no transferable or non-transferable state tax credits.

F. Sub-Prime Mortgage-Related Risk Exposure

(1) The investment policy for the Company limits investments in loan-backed securities, which includes sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered have an NAIC designation of 1 or 2.

(2) The Company has no direct exposure through investments in sub-prime mortgage loans.

(3) The Company has no direct exposure through other investments.

(4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

G. Retained Assets

The Company does not have any retained asset accounts for beneficiaries.

H. Insurance-Linked Securities Contracts

As of December 31, 2017, the Company is not aware of any possible proceeds of insurance-linked securities.

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through February 26, 2018, which is the date these statutory basis financial statements were available for issuance.

TYPE I — Recognized Subsequent Events

There are no events subsequent to December 31, 2017, that require recognition and disclosure.

TYPE II — Non-Recognized Subsequent Events

The Company is subject to the annual fee under Section 9010 of the ACA. The fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of 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, expects to conduct health insurance business in 2018, and estimates its portion of the annual health insurance industry fee payable on September 30, 2018 to be $28,815,626. This amount has been apportioned out of unassigned surplus and is reflected as Section 9010 ACA subsequent fee year assessment in the statutory basis financial statements. In accordance with the 2017 HIF moratorium, no amounts were required to be apportioned out of unassigned surplus in 2016 (see Note 1). The Company's Authorized Control Level RBC ("ACL RBC") ratio was 990.6% as of December 31, 2017. Reporting the ACA assessment as a liability as of December 31, 2017 would not have triggered an RBC action level.

The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2017 and 2016:

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	Yes	
B. ACA fee assessment payable for the upcoming year	$ 26,815,626	$ -
C. ACA fee assessment paid	-	59,352,568
D. Premium written subject to ACA 9010 assessment	1,258,733,027	-
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	347,231,260	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	320,415,634	
G. Authorized Control Level (Five-Year Historical Line 15)	35,053,391	
H. Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level (YES/NO)?	No	

Subsequent to December 31, 2017, the Company received license approvals from two additional states as a result of the license expansion requests filed during 2017.

There are no other events subsequent to December 31, 2017 that require disclosure.

23. REINSURANCE

The Company does not have any unaffiliated reinsurance agreements in place as of December 31, 2017 or 2016.

Reinsurance Agreements — In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with affiliated (see Note 10) and other nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured**.**

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 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 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?

Yes ( ) No (X)

Section 3 — Ceded Reinsurance Report — Part B

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

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2017.

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

Yes ( ) No (X)

B. Uncollectible Reinsurance — During 2017 and 2016, there were no uncollectible reinsurance recoverables.

C. Commutation of Ceded Reinsurance — There was no commutation of reinsurance in 2017 or 2016.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation — Not applicable**.**

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A. The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.

B. Estimated accrued retrospective premiums due from the Company are recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in reserve for rate credits in the statutory basis statements of operations.

C. Pursuant to the ACA, the Company's Medicare business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the Medicare line of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the Medicare line of business subject to the retrospectively rated features was $1,255,826,659 and $3,681,663,451, representing 99.96% and 100% of total direct premiums written as of December 31, 2017 and 2016, respectively.

The Company has Medicare Part D risk-corridor amounts from CMS which are subject to a retrospectively rated feature related to Part D premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The amount of Medicare Part D direct premiums written subject to the retrospectively rated feature was $82,409,725 and $200,479,833 representing, 6.6% and 5.5% of total direct premiums written for 2017 and 2016, respectively.

The Company has risk-adjustment amounts from CMS which are subject to a redetermination feature related to Medicare premiums. The Company has estimated premium adjustments for changes to each member's health scores based on guidelines determined by CMS. The total amount of Medicare direct premiums written for which a portion is subject to the redetermination feature was $1,255,826,659 and $3,681,663,451 representing, 99.96% and 100% of total direct premiums written for 2017 and 2016, respectively.

D. The Company does not have comprehensive commercial business subject to specific minimum loss ratio requirements as of December 31, 2017 and 2016. The Company is required to maintain a specific minimum loss ratio on the Medicare line of business. The following table discloses the minimum medical loss ratio rebate liability which is included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus for the years ended December 31, 2017 and 2016:

	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	$ -	$ -	$ -	$7,158,971	$ 7,158,971
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss rebates unpaid	-	-	-	7,158,971	7,158,971
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	7,158,971
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	-	-	-	8,624,268	8,624,268
(8) Medical loss ratio rebates paid	-	-	-	-	-
(9) Medical loss rebates unpaid	-	-	-	15,783,239	15,783,239
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	15,783,239

E. Risk-Sharing Provisions of the Affordable Care Act

(1–5) The Company did not write accident and health premiums in 2017 and 2016 subject to the risk-sharing provisions of the ACA.

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

A. Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, and health care receivables (excluding provider loans and advances not yet expensed) and reinsurance recoverables for the years ended December 31, 2017 and 2016:

	2017		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	$ -	$ (533,233,105)	$ (533,233,105)
Paid claims—net of health care receivables* and reinsurance recoveries collected	914,605,514	312,573,986	1,227,179,500
End of year claim reserve	169,059,990	18,180,052	187,240,042
Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below	1,083,665,504	(202,479,067)	881,186,437
Beginning of year health care receivables* and reinsurance recoverables	-	176,981,211	176,981,211
End of year health care receivables* and reinsurance recoverables	(55,750,319)	(14,395,792)	(70,146,111)
Total incurred claims	$ 1,027,915,185	$ (39,893,648)	$ 988,021,537

*Health care receivables excludes provider loans and advances not yet expensed of $293,058 and $0 for 2017 and 2016, respectively.

	2016		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	$ -	$ (336,586,231)	$ (336,586,231)
Paid claims—net of health care receivables and reinsurance recoveries collected	2,490,782,238	176,791,141	2,667,573,379
End of year claim reserve	482,637,929	50,595,176	533,233,105
Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below	2,973,420,167	(109,199,914)	2,864,220,253
Beginning of year health care receivables	-	147,499,440	147,499,440
End of year health care receivables and reinsurance recoverables	(141,712,910)	(35,268,301)	(176,981,211)
Total incurred claims	$ 2,831,707,257	$ 3,031,225	$ 2,834,738,482

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, and aggregate health claim reserves, net of health care receivables (excluding provider loans and advances not yet expensed), and reinsurance recoverables as of December 31, 2016 was $356,251,894. As of December 31, 2017, $312,573,986 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care receivables (excluding provider loans and advances not yet expenses) and reinsurance recoverables are now $3,784,260, as a result of re-estimation of unpaid claims. Therefore, there has been $39,893,648 favorable prior year development since December 31, 2016 to December 31, 2017. The primary drivers consist of favorable development as a result of a change in the provision for adverse deviations in experience of $27,718,889 and favorable development of $14,997,895 in retroactivity for inpatient, outpatient, physician, and pharmacy claims and favorable development in medical incentive pool and bonus amounts of $6,059,119 offset by unfavorable development in Part D of $9,116,904. At December 31, 2016, the Company recorded $3,031,225 unfavorable development related to $29,686,597 unfavorable development in retroactivity for inpatient, outpatient, physician, and pharmacy claims and unfavorable development in provider settlements of $2,944,965, offset by favorable development as a result of a change in the provision for adverse deviations in experience of $14,149,565, favorable development in Part D of $10,118,903, favorable development in risk share of $4,436,501, favorable development in capitation of $549,605, and favorable development in Rx rebates of $240,859. Original estimates are increased or decreased, as additional information becomes known regarding individual claims, including the medical loss ratio rebate accrual. Included in this development is the impact related to retrospectively rated policies, which also has a corresponding impact on medical loss ratio rebates. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in reserve for rate credits in the statutory basis statements of operations.

The Company incurred CAE of $56,890,455 and $136,968,400 in 2017 and 2016, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of its Agreement (see Note 10). The following table discloses paid CAE, incurred CAE, and the balance in unpaid CAE reserve for 2017 and 2016:

	2017	2016
Total claims adjustment expenses	$ 56,890,455	$ 136,968,400
Less: current year unpaid claims adjustment expenses	(1,932,990)	(4,781,900)
Add: prior year unpaid claims adjustment expenses	4,781,900	3,555,613
Total claims adjustment expenses paid	$ 59,739,365	$ 135,742,113

B. The Company did not make any significant changes in methodologies and assumptions used in the calculation of the liability for claims unpaid and unpaid CAE in 2017.

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2017 or 2016.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2017 or 2016.

28. HEALTH CARE AND OTHER AMOUNTS RECEIVABLE

A. Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted and excluded all pharmacy rebates receivable that do not meet the admissibility criteria of SSAP No. 84, *Certain Health Care Receivables and Receivables under Government Insured Plans* ("SSAP No. 84") from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria of SSAP No. 84, the pharmacy rebate transaction history is summarized as follows:

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	$ 35,262,959	$ -	$ -	$ -	$ -
9/30/2017	33,870,726	33,708,051	20,143,266	-	-
6/30/2017	31,697,944	31,776,202	25,756,348	5,067,501	-
3/31/2017	28,036,276	28,089,357	14,463,618	10,253,744	2,423,436
12/31/2016	85,425,366	86,143,539	70,176,878	11,628,228	3,133,702
9/30/2016	87,401,055	86,220,550	67,835,471	14,971,924	2,507,627
6/30/2016	84,897,767	83,668,968	69,615,561	11,355,405	2,410,153
3/31/2016	78,345,541	77,181,249	64,649,709	10,969,078	1,334,490
12/31/2015	77,226,595	77,861,757	68,395,605	8,783,513	118,607
9/30/2015	74,001,419	74,365,118	63,434,826	4,907,814	6,049,787
6/30/2015	69,160,137	69,659,759	57,567,454	9,460,250	2,480,547
3/31/2015	62,165,498	61,679,216	45,088,727	13,512,737	3,378,227

Of the amount reported as health care receivables, $48,977,522 and $120,343,603 relates to pharmacy rebates receivable as of December 31, 2017 and 2016, respectively. This decrease is primarily due to decreased membership along with the change in generic/name brand mix.

B. The Company does not have any risk-sharing receivables.

The Company also admitted $3,582,384 and $7,859,553 for claim overpayment receivables due from providers, $293,058 and $0 for loans and advances to providers, and $107,911 and $0 for capitation arrangement receivables in 2017 and 2016, respectively, which are included in health care receivables in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2017 or 2016.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2017 or 2016. The analysis of premium deficiency reserves was completed as of December 31, 2017 and 2016. The Company did consider anticipated investment income when calculating the premium deficiency reserves.

The following table summarizes the Company’s premium deficiency reserves as of December 31, 2017 and 2016:

	2017
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2017
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

	2016
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2016
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2017 and 2016, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

* * * * *

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

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

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

1.3 State Regulating? Arkansas

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

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/22/2015

3.4 By what department or departments?
Arkansas Department of Insurance

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

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

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

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

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

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,
7.21 State the percentage of foreign control; 0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Optum Bank, Inc.	Salt Lake City, UT	NO	NO	YES	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, Minneapolis, MN

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

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

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

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

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Mary J. Murley, Chief Actuary of the Medicare and Retirement division of United HealthCare Services, Inc., of which Care Improvement Plus South Central Insurance Company is an affiliate, 9800 Health Care Lane, Minnetonka, MN 55343

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 [ ]

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

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

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

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

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Non-material updates to existing Code.

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

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

GENERAL INTERROGATORIES

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $ 0
- 20.12 To stockholders not officers $ 0
- 20.13 Trustees, supreme or grand (Fraternal Only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $ 0
- 20.22 To stockholders not officers $ 0
- 20.23 Trustees, supreme or grand (Fraternal Only) $ 0

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

24.02 If no, give full and complete information relating thereto

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

25.21 Subject to repurchase agreements $ 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 $ 3,776,265
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 [ ]
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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Northern Trust	50 S. LaSalle, Chicago, IL 60675

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

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

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

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

GENERAL INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
Goldman Sachs	U
Internally Managed	I
JPMorgan Investment Management Inc.	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.

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
107738	Goldman Sachs	CF5M58QA35CFPUX70H17	SEC	NO
107038	JPMorgan Investment Management Inc.	549300W78QHV4XMM6K69	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		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	319,276,516	318,550,007	(726,509)
30.2 Preferred stocks	0	0	0
30.3 Totals	319,276,516	318,550,007	(726,509)

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

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from HUB which is an external data sources vendor. HUB utilizes various pricing sources.

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

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

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:

GENERAL INTERROGATORIES

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements of each self-designated 5*GI security:
    a. Documentation necessary to permit a full credit analysis of the security does not exist.
    b. Issuer or obligor is current on all contracted interest and principal payments.
    c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
    Has the reporting entity self-designated 5*GI securities? Yes [ ] No [X]

OTHER

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

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

1 Name	2 Amount Paid

35.1 Amount of payments for legal expenses, if any? $ 0

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

1 Name	2 Amount Paid

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $ 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	1,256,025,229	3,681,268,051
2.2	Premium Denominator	1,256,025,229	3,681,268,051
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	193,130,851	543,791,314
2.5	Reserve Denominator	209,500,851	543,791,314
2.6	Reserve Ratio (2.4/2.5)	0.922	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [X]

5.2 If no, explain:
Stop-loss reinsurance is not required given the nature of the products currently written by the Company and the underlying provider contracts contain hold-harmless clauses.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical $ 0
5.32 Medical Only $ 0
5.33 Medicare Supplement $ 0
5.34 Dental & 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:
Hold harmless clauses in provider agreements.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 220,453
8.2 Number of providers at end of reporting year 732,877

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

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

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses $ 2,931,763
10.22 Amount actually paid for year bonuses $ 7,481,135
10.23 Maximum amount payable withholds $ 1,280,112
10.24 Amount actually paid for year withholds $ 3,243,899

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]
11.13 An Individual Practice Association (IPA), or, Yes [ ] No [X]
11.14 A Mixed Model (combination of above)? Yes [X] No [ ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No [ ]
11.3 If yes, show the name of the state requiring such minimum capital and surplus. Arkansas
11.4 If yes, show the amount required. $ 100,000
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]
11.6 If the amount is calculated, show the calculation
Arkansas Statutes § 23-76-108

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

1 Name of Service Area
Alabama, Alaska, Arizona, Arkansas, Colorado, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia

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

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $ 0

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

13.4 If yes, please provide the balance of funds administered as of the reporting date. $ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [ ] No [ ] N/A [X]
14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	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
15.3 Number of Covered Lives 0

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

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)	593,648,460	1,029,490,809	900,901,751	646,874,788	565,861,329
2.	Total liabilities (Page 3, Line 24)	246,417,200	606,426,571	585,750,014	298,289,945	225,316,500
3.	Statutory minimum capital and surplus requirement	100,000	100,000	196,204,818	183,907,454	145,034,704
4.	Total capital and surplus (Page 3, Line 33)	347,231,260	423,064,238	315,151,737	348,584,843	340,544,829
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	1,247,771,331	3,705,330,964	3,290,271,397	2,985,409,175	2,464,372,875
6.	Total medical and hospital expenses (Line 18)	988,021,537	2,834,738,482	2,783,085,240	2,471,378,874	2,015,701,117
7.	Claims adjustment expenses (Line 20)	56,890,455	136,968,400	142,305,460	120,377,102	36,730,441
8.	Total administrative expenses (Line 21)	86,357,462	338,570,400	288,685,891	264,514,431	287,128,013
9.	Net underwriting gain (loss) (Line 24)	116,501,877	395,053,682	76,194,806	129,138,768	124,813,304
10.	Net investment gain (loss) (Line 27)	7,730,735	11,143,869	10,786,312	8,731,714	793,361
11.	Total other income (Lines 28 plus 29)	(5,232,188)	(4,988,302)	(3,988,513)	(1,620)	(332,559)
12.	Net income or (loss) (Line 32)	79,248,651	241,424,946	35,337,296	77,967,046	81,542,130
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	(66,500,856)	345,031,673	81,640,789	(22,127,886)	64,161,198
	Risk-Based Capital Analysis					
14.	Total adjusted capital	347,231,260	423,064,238	315,151,737	348,584,843	340,544,829
15.	Authorized control level risk-based capital	35,053,391	114,581,564	98,102,409	91,953,727	72,517,352
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	99,833	273,804	259,612	249,986	210,819
17.	Total members months (Column 6, Line 7)	1,117,190	3,205,692	3,046,126	2,879,915	2,269,423
	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)	79.2	76.5	84.6	82.8	81.8
20.	Cost containment expenses	3.0	2.2	2.5	1.9	0.8
21.	Other claims adjustment expenses	1.6	1.5	1.8	2.2	0.7
22.	Total underwriting deductions (Line 23)	90.7	89.3	97.7	95.7	94.9
23.	Total underwriting gain (loss) (Line 24)	9.3	10.7	2.3	4.3	5.1
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	316,378,316	192,118,016	139,918,155	85,078,151	40,759,494
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	356,271,964	189,086,791	92,176,407	96,322,547	100,016,380
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30.	Affiliated mortgage loans on real estate	0	0	0	0	0
31.	All other affiliated	0	0	0	0	0
32.	Total of above Lines 26 to 31	0	0	0	0	0
33.	Total investment in parent included in Lines 26 to 31 above.	0	0	0	0	0

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

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	States, etc.		1	Direct Business Only							
				2	3	4	5	6	7	8	9
	States, 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	L	0	439,668	0	0	0	0	439,668	0
2.	Alaska	AK	L	0	0	0	0	0	0	0	0
3.	Arizona	AZ	L	0	0	0	0	0	0	0	0
4.	Arkansas	AR	L	0	489,531,975	0	0	0	0	489,531,975	0
5.	California	CA	N	0	0	0	0	0	0	0	0
6.	Colorado	CO	L	0	3	0	0	0	0	3	0
7.	Connecticut	CT	N	0	0	0	0	0	0	0	0
8.	Delaware	DE	L	0	0	0	0	0	0	0	0
9.	District of Columbia	DC	L	0	0	0	0	0	0	0	0
10.	Florida	FL	L	0	2,009,582	0	0	0	0	2,009,582	0
11.	Georgia	GA	L	0	48,227,842	0	0	0	0	48,227,842	0
12.	Hawaii	HI	N	0	0	0	0	0	0	0	0
13.	Idaho	ID	L	0	0	0	0	0	0	0	0
14.	Illinois	IL	L	0	(139,075)	0	0	0	0	(139,075)	0
15.	Indiana	IN	L	0	251,194	0	0	0	0	251,194	0
16.	Iowa	IA	L	0	0	0	0	0	0	0	0
17.	Kansas	KS	L	0	27,447,080	0	0	0	0	27,447,080	0
18.	Kentucky	KY	L	0	0	0	0	0	0	0	0
19.	Louisiana	LA	L	0	0	0	0	0	0	0	0
20.	Maine	ME	L	0	91	0	0	0	0	91	0
21.	Maryland	MD	L	0	0	0	0	0	0	0	0
22.	Massachusetts	MA	L	0	905	0	0	0	0	905	0
23.	Michigan	MI	N	0	0	0	0	0	0	0	0
24.	Minnesota	MN	N	0	0	0	0	0	0	0	0
25.	Mississippi	MS	L	0	0	0	0	0	0	0	0
26.	Missouri	MO	L	0	569,578,083	0	0	0	0	569,578,083	0
27.	Montana	MT	L	0	0	0	0	0	0	0	0
28.	Nebraska	NE	N	0	0	0	0	0	0	0	0
29.	Nevada	NV	N	0	0	0	0	0	0	0	0
30.	New Hampshire	NH	L	0	11,821,210	0	0	0	0	11,821,210	0
31.	New Jersey	NJ	L	0	10,272,178	0	0	0	0	10,272,178	0
32.	New Mexico	NM	L	0	22,392	0	0	0	0	22,392	0
33.	New York	NY	L	0	0	0	0	0	0	0	0
34.	North Carolina	NC	L	0	0	0	0	0	0	0	0
35.	North Dakota	ND	L	0	0	0	0	0	0	0	0
36.	Ohio	OH	L	0	24,876,927	0	0	0	0	24,876,927	0
37.	Oklahoma	OK	L	0	0	0	0	0	0	0	0
38.	Oregon	OR	N	0	0	0	0	0	0	0	0
39.	Pennsylvania	PA	L	0	45,426	0	0	0	0	45,426	0
40.	Rhode Island	RI	N	0	0	0	0	0	0	0	0
41.	South Carolina	SC	L	0	(1,326,899)	0	0	0	0	(1,326,899)	0
42.	South Dakota	SD	L	0	0	0	0	0	0	0	0
43.	Tennessee	TN	L	0	0	0	0	0	0	0	0
44.	Texas	TX	L	0	72,231,942	552,459	0	0	0	72,784,401	0
45.	Utah	UT	L	0	0	0	0	0	0	0	0
46.	Vermont	VT	L	0	0	0	0	0	0	0	0
47.	Virginia	VA	L	0	536,138	0	0	0	0	536,138	0
48.	Washington	WA	L	0	0	0	0	0	0	0	0
49.	West Virginia	WV	L	0	0	0	0	0	0	0	0
50.	Wisconsin	WI	N	0	0	0	0	0	0	0	0
51.	Wyoming	WY	N	0	0	0	0	0	0	0	0
52.	American Samoa	AS	N	0	0	0	0	0	0	0	0
53.	Guam	GU	N	0	0	0	0	0	0	0	0
54.	Puerto Rico	PR	N	0	0	0	0	0	0	0	0
55.	U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56.	Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57.	Canada	CAN	N	0	0	0	0	0	0	0	0
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal		XXX	0	1,255,826,662	552,459	0	0	0	1,256,379,121	0
60.	Reporting entity contributions for Employee Benefit Plans		XXX	0	0	0	0	0	0	0	0
61.	Total (Direct Business)		(a) 40	0	1,255,826,662	552,459	0	0	0	1,256,379,121	0
	DETAILS OF WRITE-INS										
58001.			XXX								
58002.			XXX								
58003.			XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	0	0	0	0	0	0	0	0

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

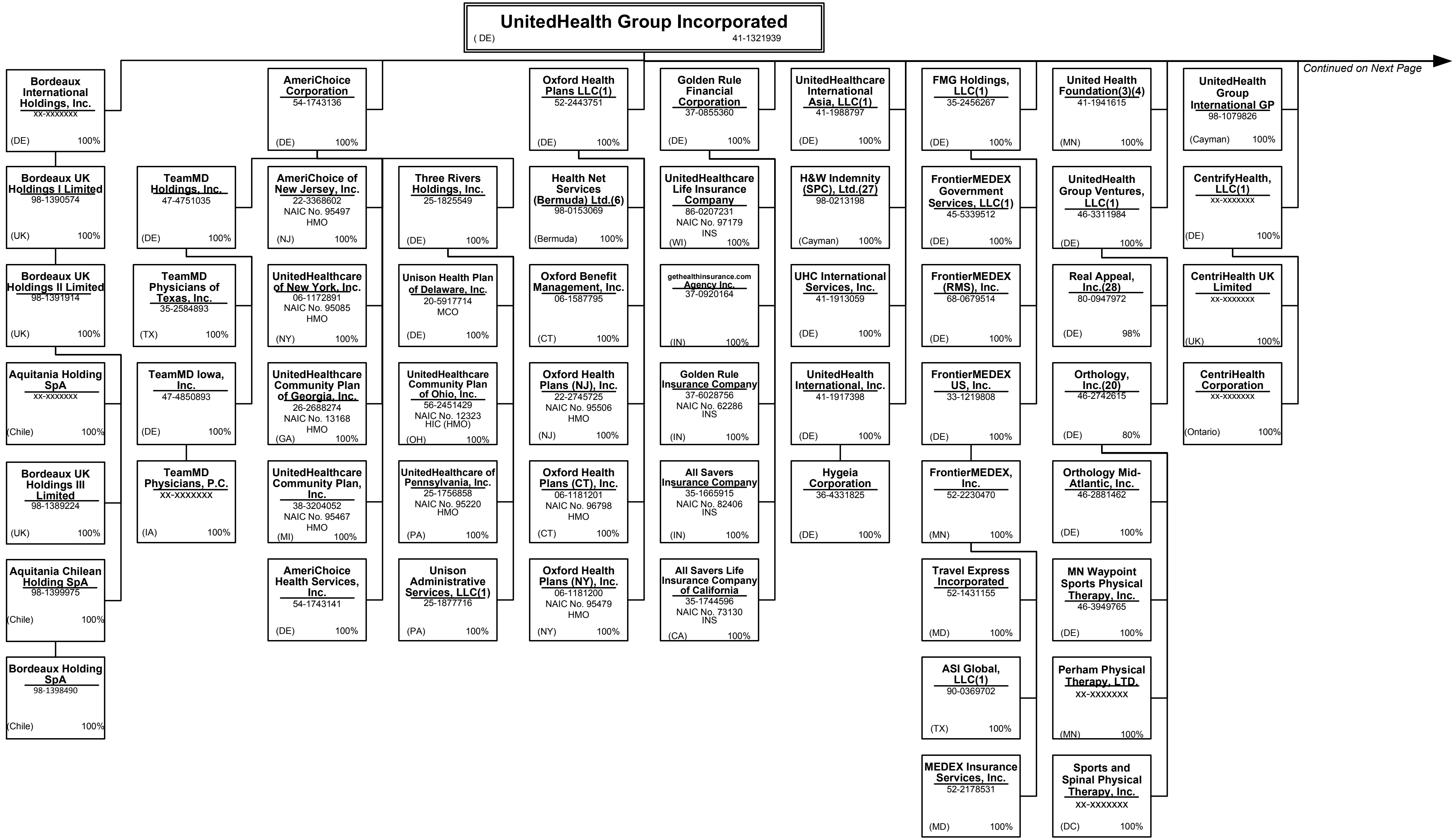
Explanation of basis of allocation by states, premiums by state, etc.

Premiums are allocated by state based upon the residence of the member.

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

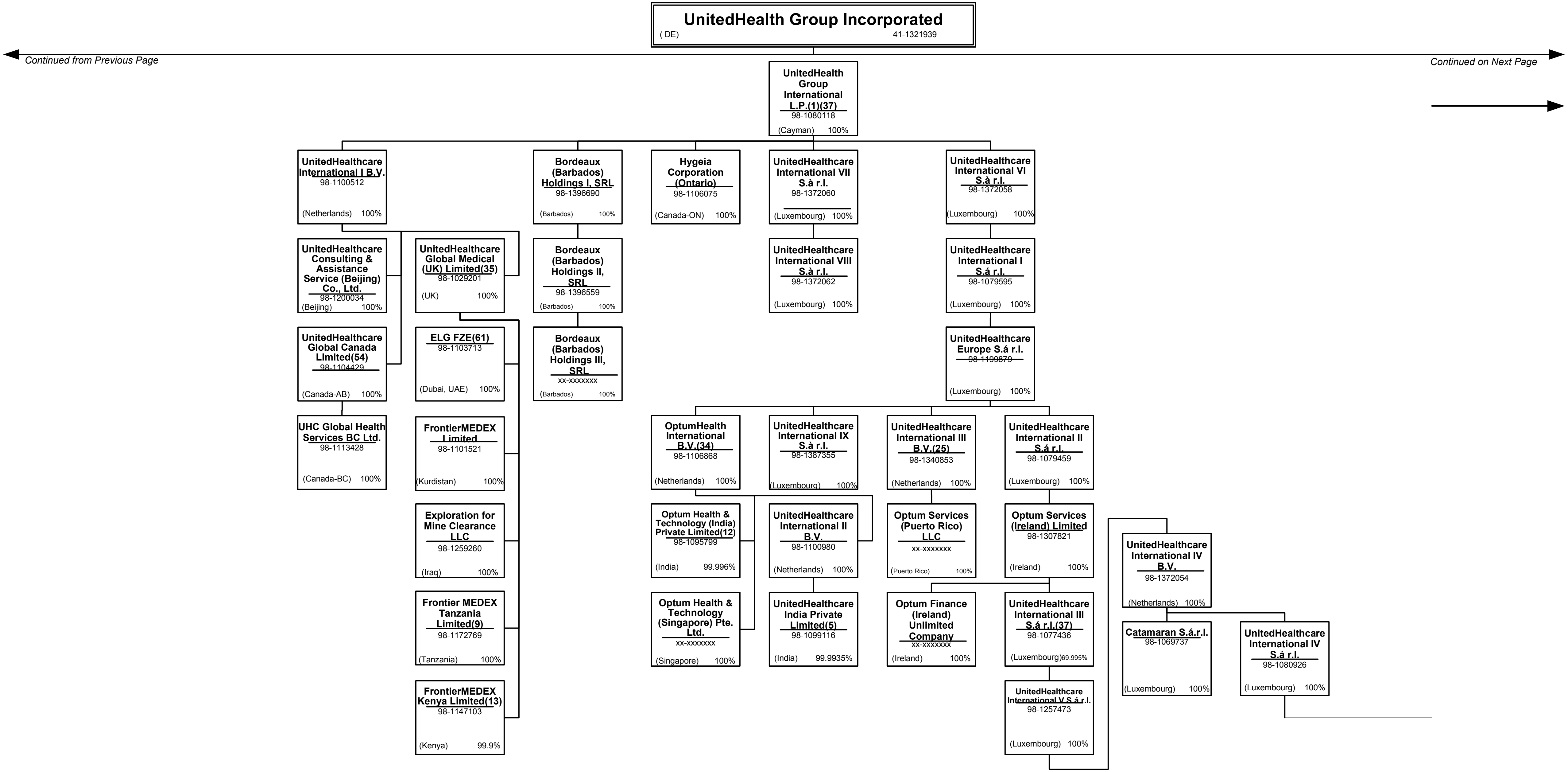
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



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

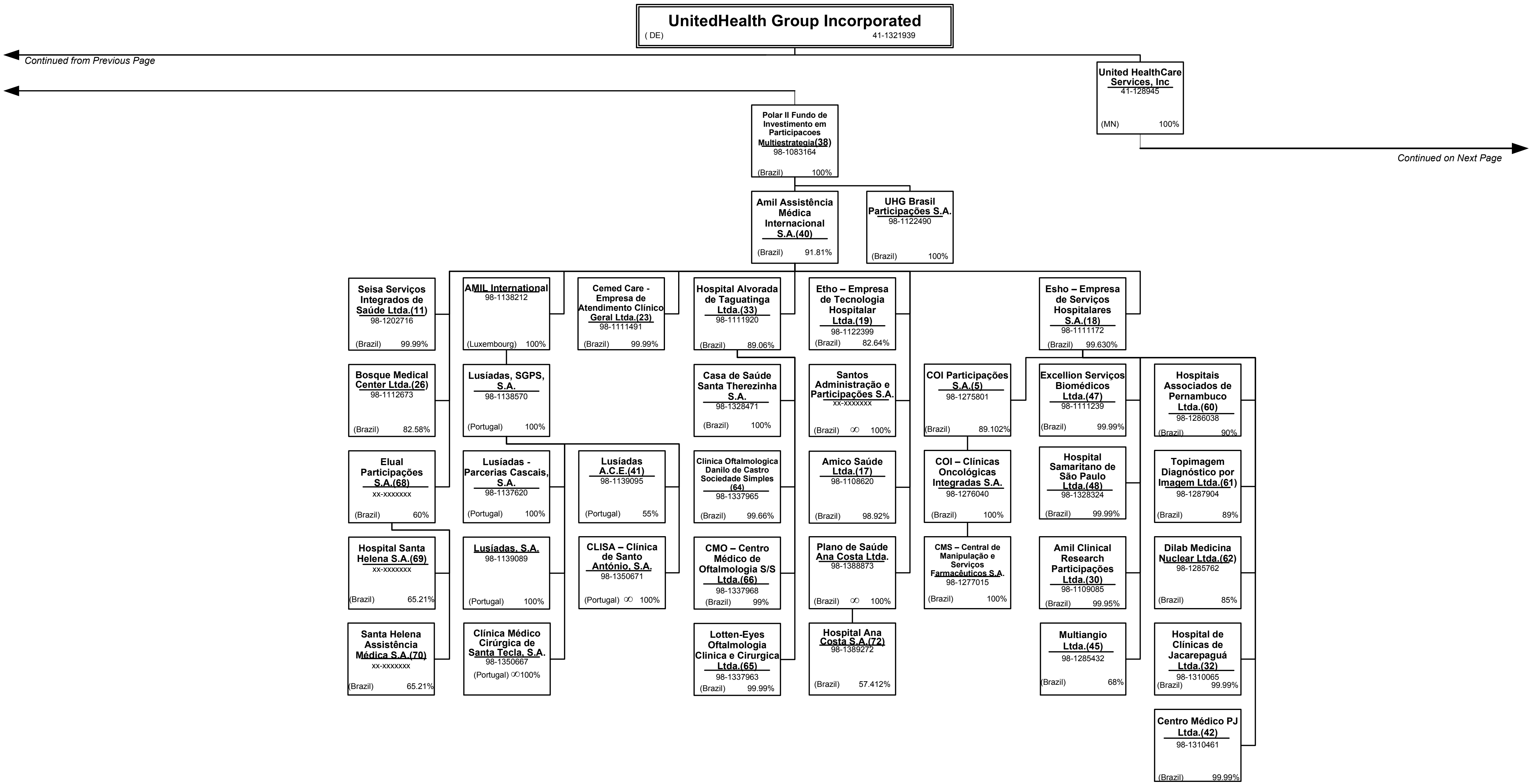
PART 1 – ORGANIZATIONAL CHART



40.1

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

PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

United HealthCare Services, Inc. (MN) 41-1289245 100%

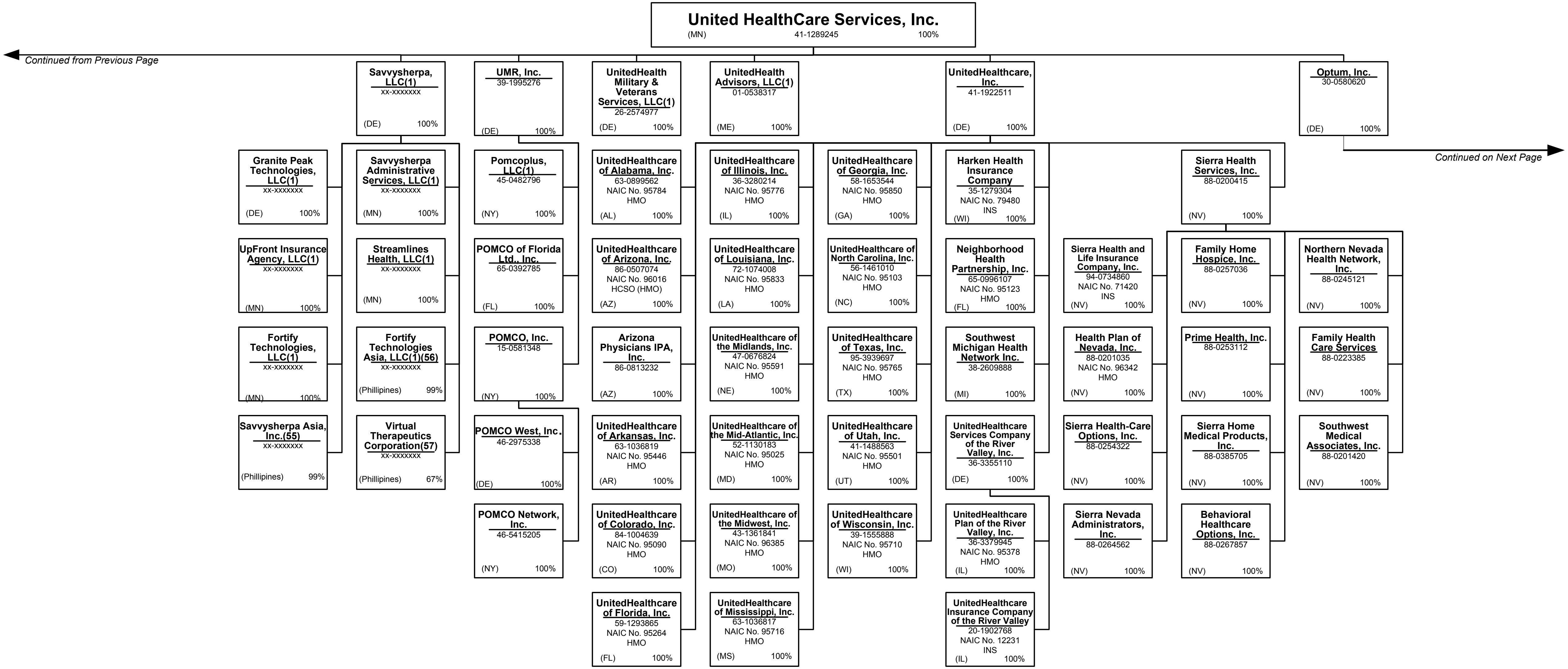
Continued from Previous Page

Continued on Next Page

- **Specialty Benefits, LLC(1)** 41-1921983 (DE) 100%
- **March Holdings, Inc.** 20-2880404 (CA) 100%
- **March Vision Care, Inc.** 20-3042852 (CA) 100%
- **National MedTrans, LLC(1)** 47-2336925 (NY) ∞ 100%
- **TriMed, LLC(1)** 47-5088596 (UT) ∞ 100%
- **Metropolitan Medical Transportation IPA, LLC(1)** 20-8998927 (NY) ∞ 100%
- **Florida MedTrans Network MSO LLC(1)** 36-4778512 (FL) ∞ 100%
- **Florida MedTrans Network LLC(1)** 32-0432993 (FL) ∞ 100%
- **UnitedHealthcare Specialty Benefits, LLC(1)** 01-0518346 (ME) 100%
- **Spectera, Inc.** 52-1260282 (MD) 100%
- **Spectera of New York, IPA, Inc.** 71-0886811 (NY) 100%
- **California MedTrans Network MSO LLC(1)** 36-4780748 (CA) ∞ 100%
- **California MedTrans Network IPA LLC(1)** 61-1732160 (CA) ∞ 100%
- **Medical Transportation Services, LLC(1)** 32-0037402 (FL) 100%
- **UnitedHealthcare Benefits Plan of California** 47-3221444 Knox Keene: 933 0517 (CA) 100%
- **Symphonix Health Holdings, LLC(1)** 46-1536748 (DE) 100%
- **Symphonix Health Insurance, Inc.** 38-2044243 NAIC No. 84549 INS (IL) 100%
- **Ovations, Inc.** 41-1921007 (DE) 100%
- **UnitedHealthcare Integrated Services, Inc.** 86-0618309 HMO (AZ) 100%
- **UnitedHealthcare Community Plan of Texas, L.L.C.(1)** 91-2008361 NAIC No. 11141 HMO (TX) 100%
- **Evercare Collaborative Solutions, Inc.** 86-0964571 (DE) 100%
- **Humedica, Inc.** 26-2912304 (DE) 100%
- **XLHealth Corporation** 52-2102846 (MD) 100%
- **Care Improvement Plus South Central Insurance Company** 20-3888112 NAIC No. 12567 INS (AR) 100%
- **XLHealth Corporation India Private Limited** 98-1107695 (India) 100%
- **Care Improvement Plus Group Management, LLC (1)** 20-8375685 (MD) 100%
- **Care Improvement Plus of Texas Insurance Company** 45-4976934 NAIC No. 12558 INS (TX) 100%
- **Care Improvement Plus Wisconsin Insurance Company** 27-5038136 NAIC No. 14041 INS (WI) 100%
- **SharedClarity LLC** 45-4233576 (DE) 100%
- **Dental Benefit Providers, Inc.** 41-2014834 (DE) 100%
- **Dental Benefit Providers of California, Inc.** 52-1452809 Knox Keene 933-0255 (CA) 100%
- **Dental Benefit Providers of Illinois, Inc.** 36-4008355 NAIC No. 52053 LHSO (HMO) (IL) 100%
- **DBP Services of New York IPA, Inc.** 52-1811176 (NY) 100%
- **Nevada Pacific Dental** 88-0228572 NAIC No. 95758 PLHSO (HMO) (NV) 100%
- **National Pacific Dental, Inc.** 76-0196559 NAIC No. 95251 HMO (TX) 100%
- **Physicians Health Plan of Maryland, Inc.** 52-1162824 (MD) 100%
- **PHC Subsidiary Holdings, LLC(1)** 35-2288416 (TX) 100%
- **Physicians Health Choice of Texas, LLC(1)** 04-3677255 NAIC No. 11494 HMO (TX) 100%
- **Rocky Mountain Health Maintenance Organization, Incorporated** 84-0614905 NAIC No. 95482 HMO (CO) 100%
- **Rocky Mountain Health Management Corporation** 84-1009248 (CO) 100%
- **Rocky Mountain HealthCare Options, Inc.** 84-1224718 NAIC No. 47004 INS (CO) 100%
- **CNIC Health Solutions, Inc.** 71-0873411 (CO) 100%
- **UHIC Holdings, Inc.** 41-1921008 (DE) 100%
- **UnitedHealthcare Insurance Company(47)** 36-2739571 NAIC No. 79413 INS (CT) 100%
- **UnitedHealthcare Insurance Company of Illinois** 36-3800349 NAIC No. 60318 INS (IL) 100%
- **UnitedHealthcare Insurance Company of New York** 11-3283886 NAIC No. 60093 INS (NY) 100%
- **Oxford Health Insurance, Inc.** 22-2797560 NAIC No. 78026 INS (NY) 100%
- **UnitedHealthcare Service LLC(1)** 47-0854646 (DE) 100%
- **Duncan Printing Services, LLC(1)** XX-XXXXXXX (SC) 100%
- **5995 Minnetonka, LLC(1)** XX-XXXXXXX (DE) 100%
- **UnitedHealthcare Community Plan of California, Inc.** 46-4348775 Knox Keene: 933 0499 (CA) 100%
- **Unimerica Life Insurance Company of New York** 01-0637149 NAIC No. 11596 INS (NY) 100%
- **UnitedHealthcare of New Mexico, Inc.** 26-2697886 NAIC No. 13214 HMO (NM) 100%
- **EP Campus I, LLC(1)** XX-XXXXXXX (DE) 100%
- **OneNet PPO, LLC(1)** 52-2129786 (MD) 100%
- **MAMSI Insurance Resources, LLC(1)** 52-2129787 (MD) 100%
- **UnitedHealthcare of New England, Inc.** 05-0413469 NAIC No. 95149 HMO (RI) 100%
- **UnitedHealthcare of Ohio, Inc.** 31-1142815 NAIC No. 95186 HCSO (HMO) (OH) 100%
- **UnitedHealthcare of Kentucky, Ltd.(2)(8)** 62-1240316 NAIC No. 96644 HMO (KY) 94.18%
- **Medica HealthCare Plans, Inc.** 01-0788576 NAIC No. 12155 HMO (FL) 100%
- **Medica Health Plans of Florida, Inc.** 20-3391186 NAIC No. 12756 HMO (FL) 100%
- **Preferred Care Partners Holding, Corp.** 65-0683927 (FL) 100%
- **Preferred Care Partners Medical Group, Inc.** 26-1845018 (FL) 100%
- **Preferred Care Partners, Inc.** 65-0885893 NAIC No. 11176 HMO (FL) 100%
- **PacifiCare of Arizona, Inc.** 94-3267522 NAIC No. 95617 HCSO (HMO) (AZ) 100%
- **PacifiCare of Colorado, Inc.** 84-1011378 NAIC No. 95434 HMO (CO) 100%
- **UnitedHealthcare of Oklahoma, Inc.** 33-0115166 NAIC No. 96903 HMO (OK) 100%
- **UnitedHealthcare Benefits of Texas, Inc.** 33-0115163 NAIC No. 95174 HMO (TX) 100%
- **MD-Individual Practice Association, Inc.** 52-1169135 NAIC No. 96310 HMO (MD) 100%
- **MAMSI Life and Health Insurance Company** 52-1803283 NAIC No. 60321 INS (MD) 100%
- **Optimum Choice, Inc.** 52-1518174 NAIC No. 96940 HMO (MD) 100%
- **PacifiCare Life and Health Insurance Company** 35-1137395 NAIC No. 70785 INS (IN) 100%
- **UHC of California** 95-2931460 Knox Keene 933-0126 (CA) 100%
- **PacifiCare of Nevada, Inc.** 86-0875231 NAIC No. 95685 HMO (NV) 100%
- **UnitedHealthcare of Oregon, Inc.** 93-0938819 NAIC No. 95893 HCSC (HMO) (OR) 100%
- **UnitedHealthcare of Washington, Inc.** 91-1312551 NAIC No. 48038 HCSC (HMO) (WA) 100%
- **PacifiCare Life Assurance Company** 95-2829463 NAIC No. 84506 INS (CO) 100%
- **UHCG Holdings (Ireland) Limited** 98-1372063 (Ireland) 100%
- **UHCG Services (Ireland) Limited** 98-1372064 (Ireland) 100%
- **UnitedHealthcare Risk Designated Activity Company** 98-1372065 (Ireland) 100%

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

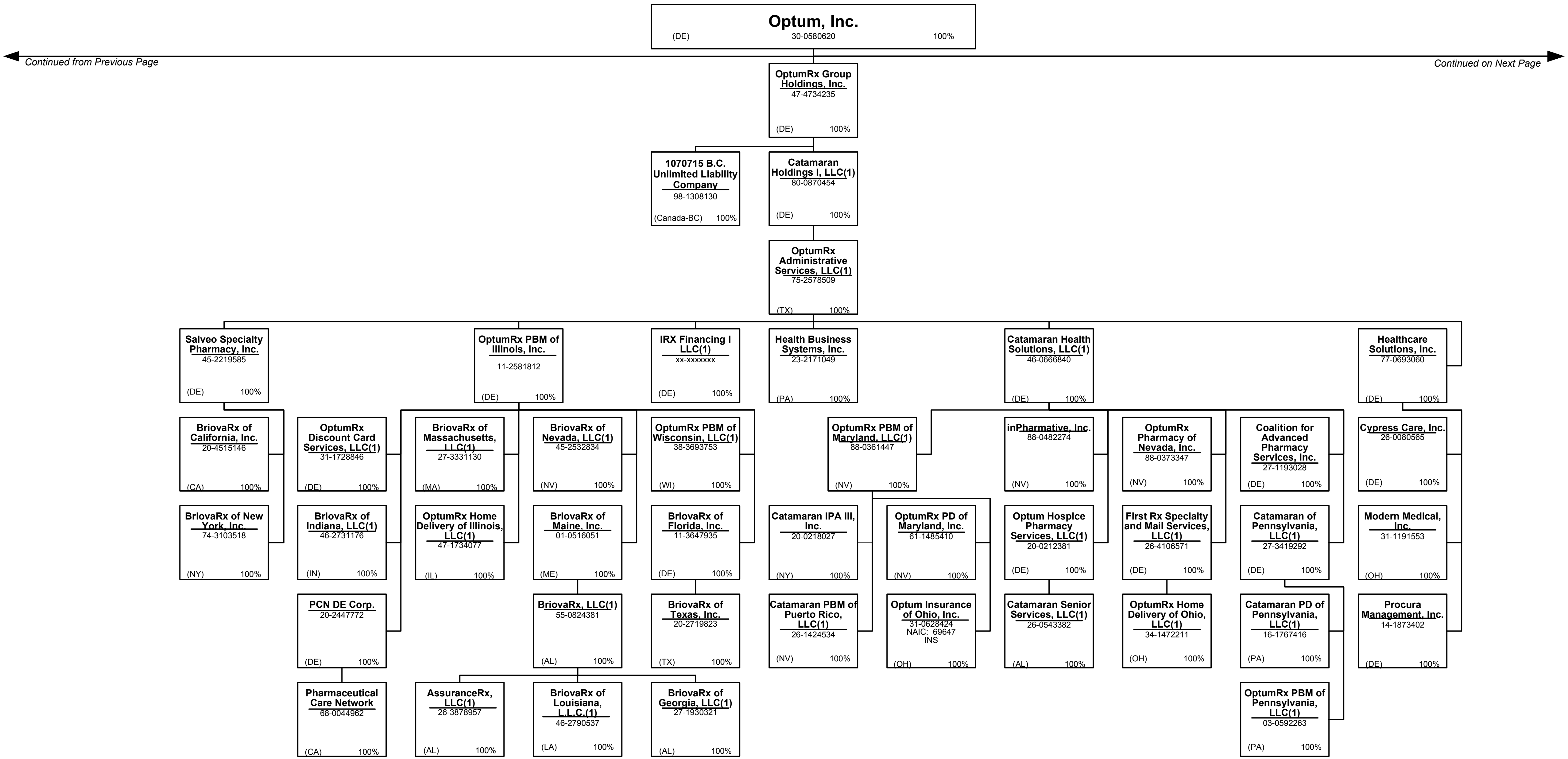
PART 1 – ORGANIZATIONAL CHART



40.4

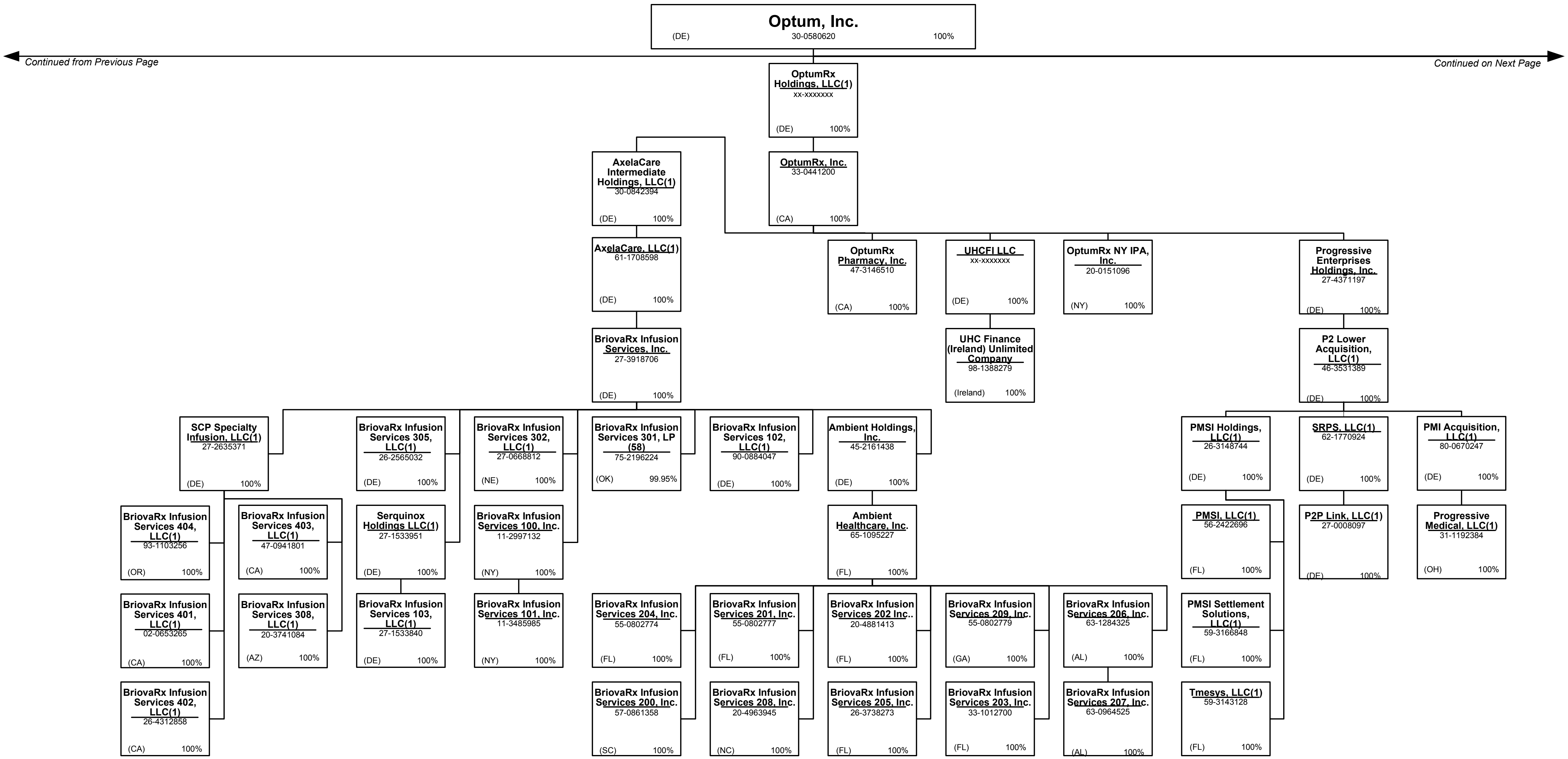
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



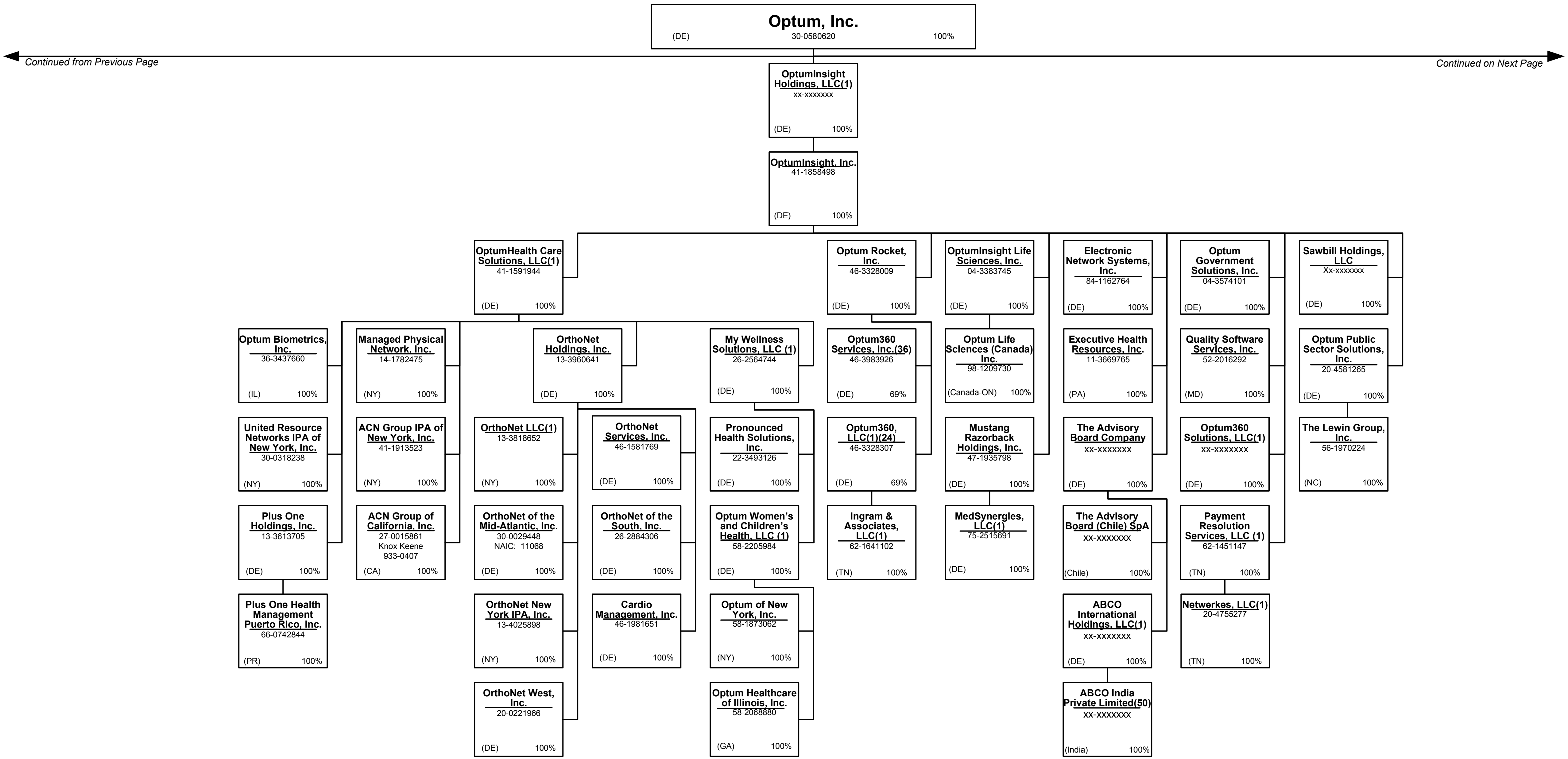
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



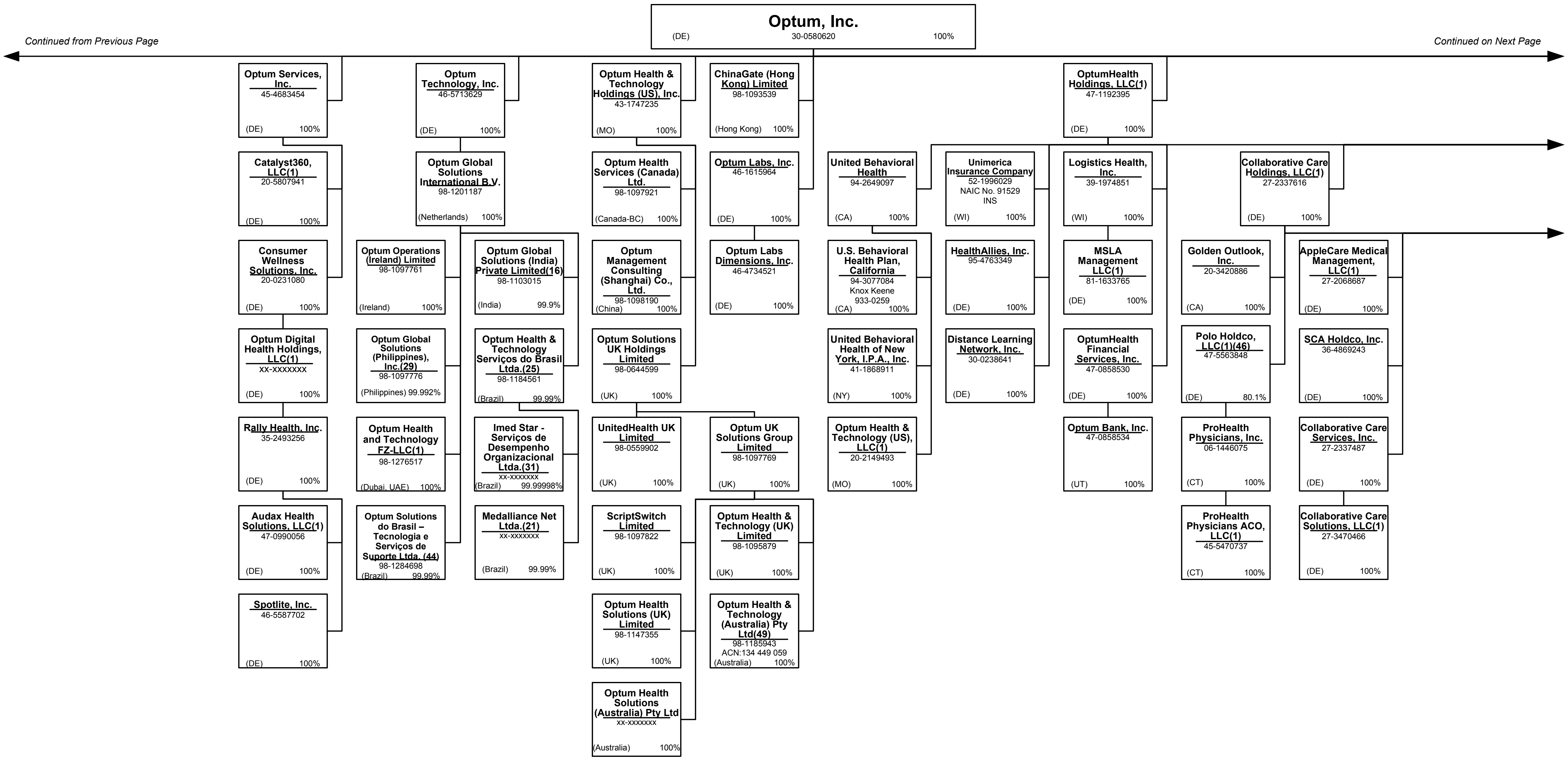
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



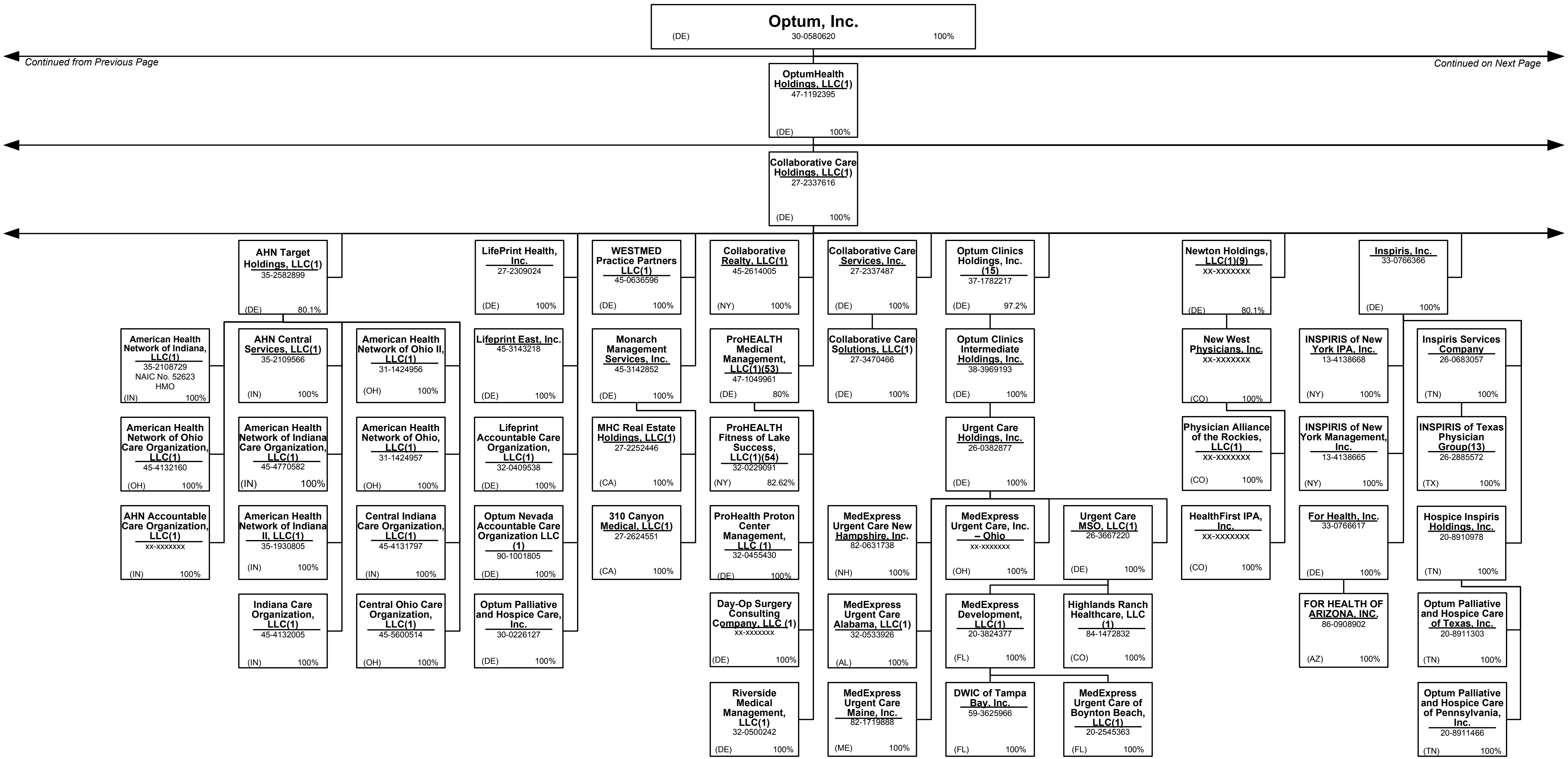
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART



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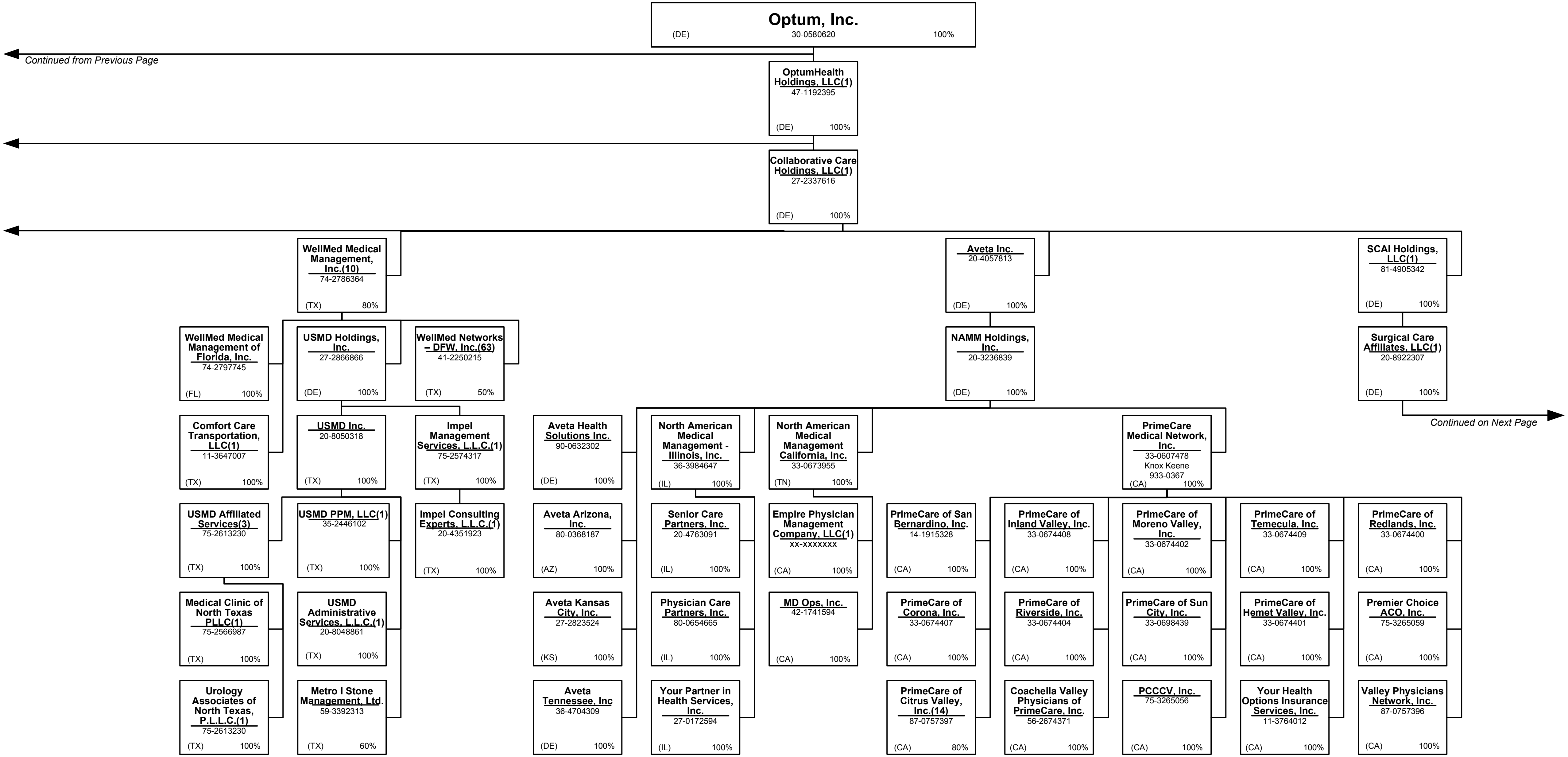
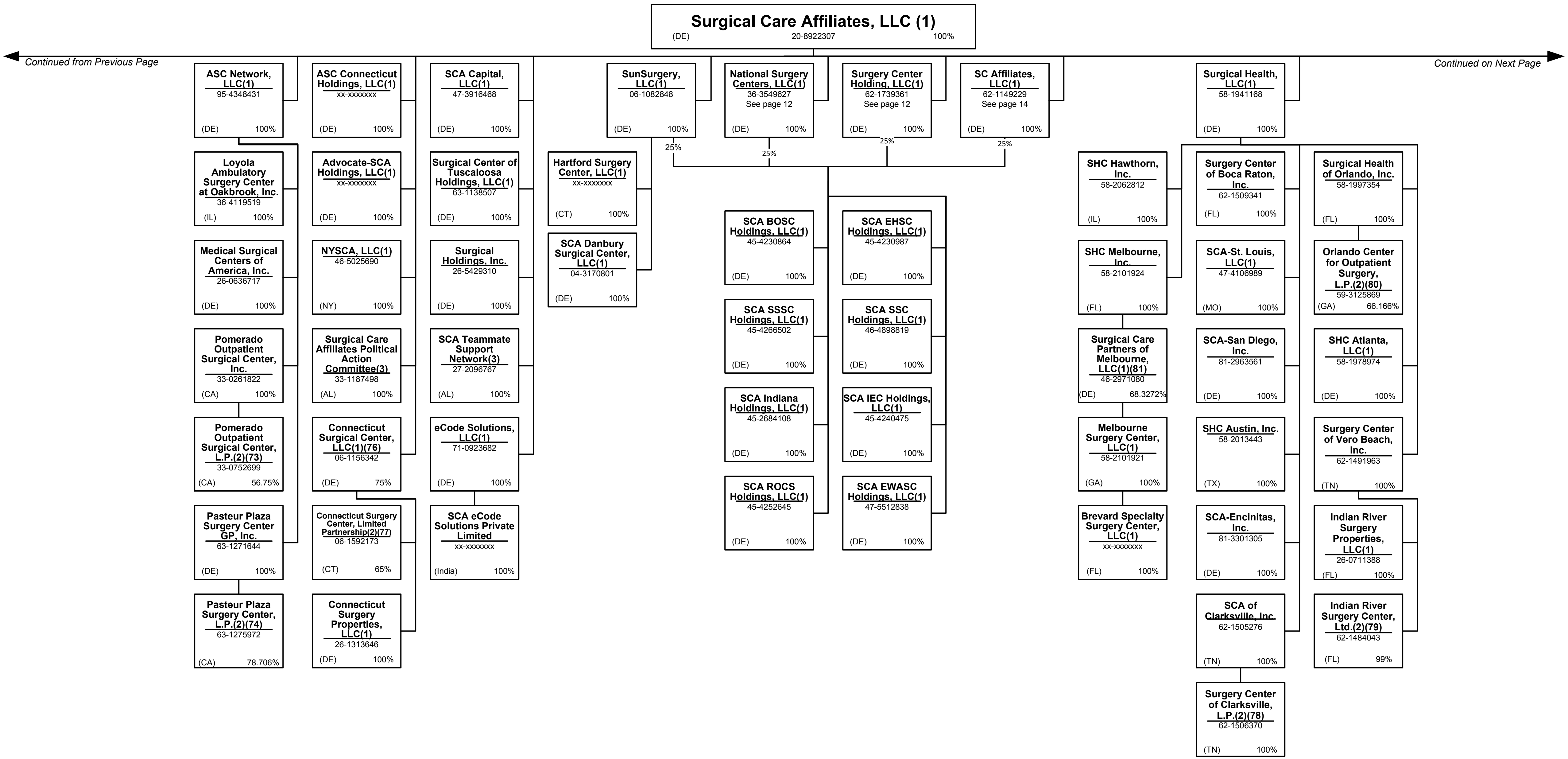
PART 1 – ORGANIZATIONAL CHART



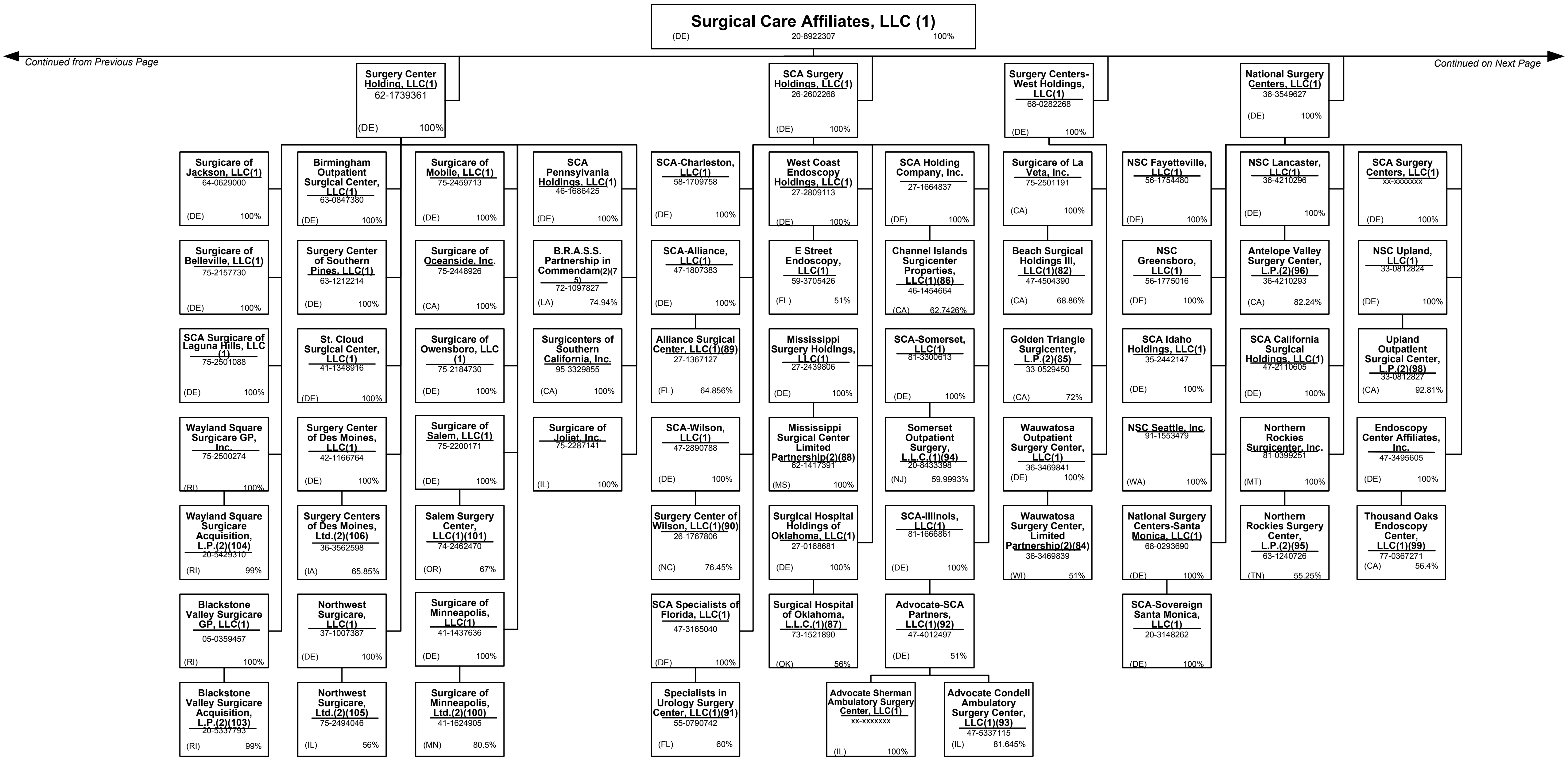
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



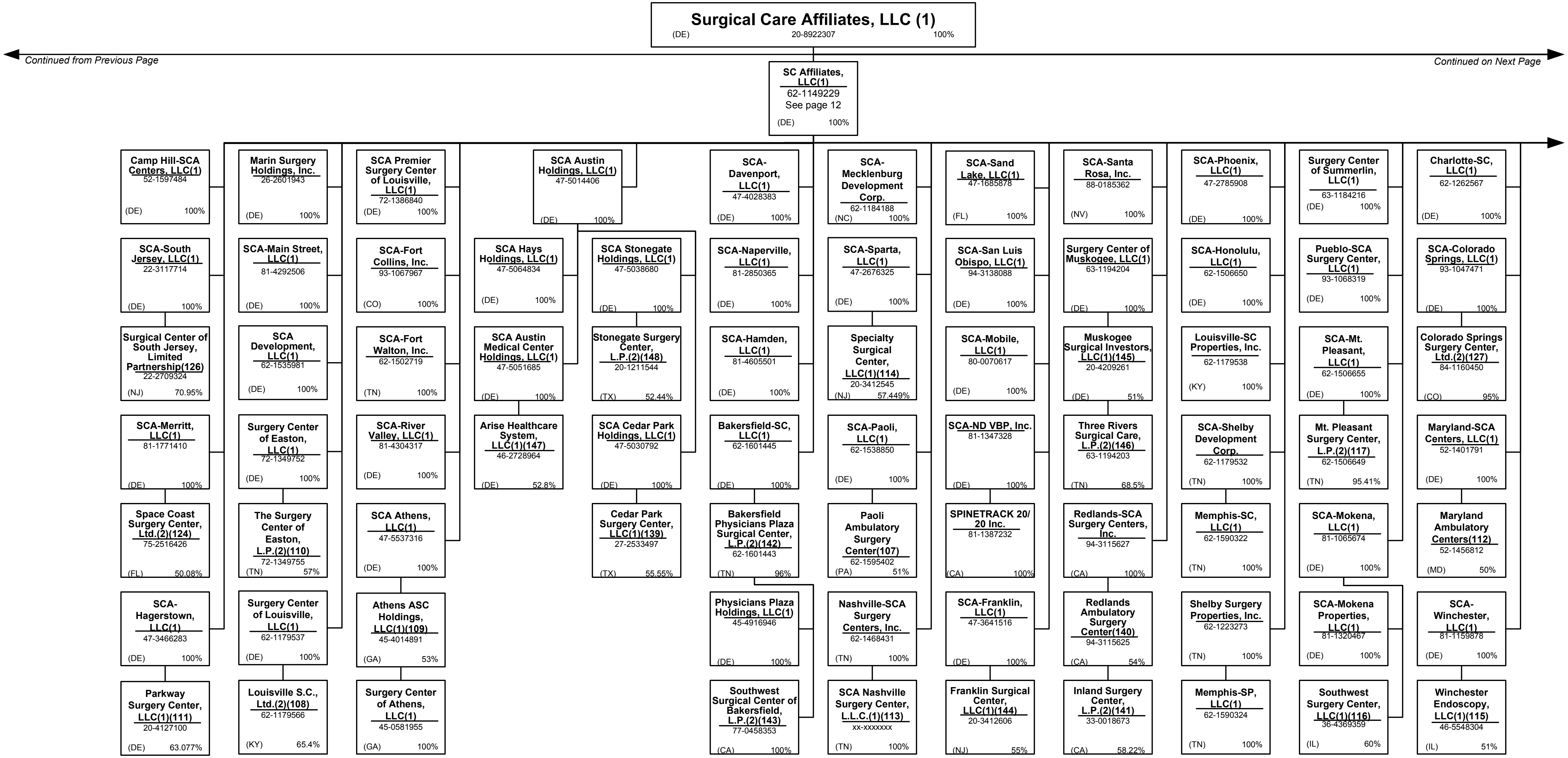
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



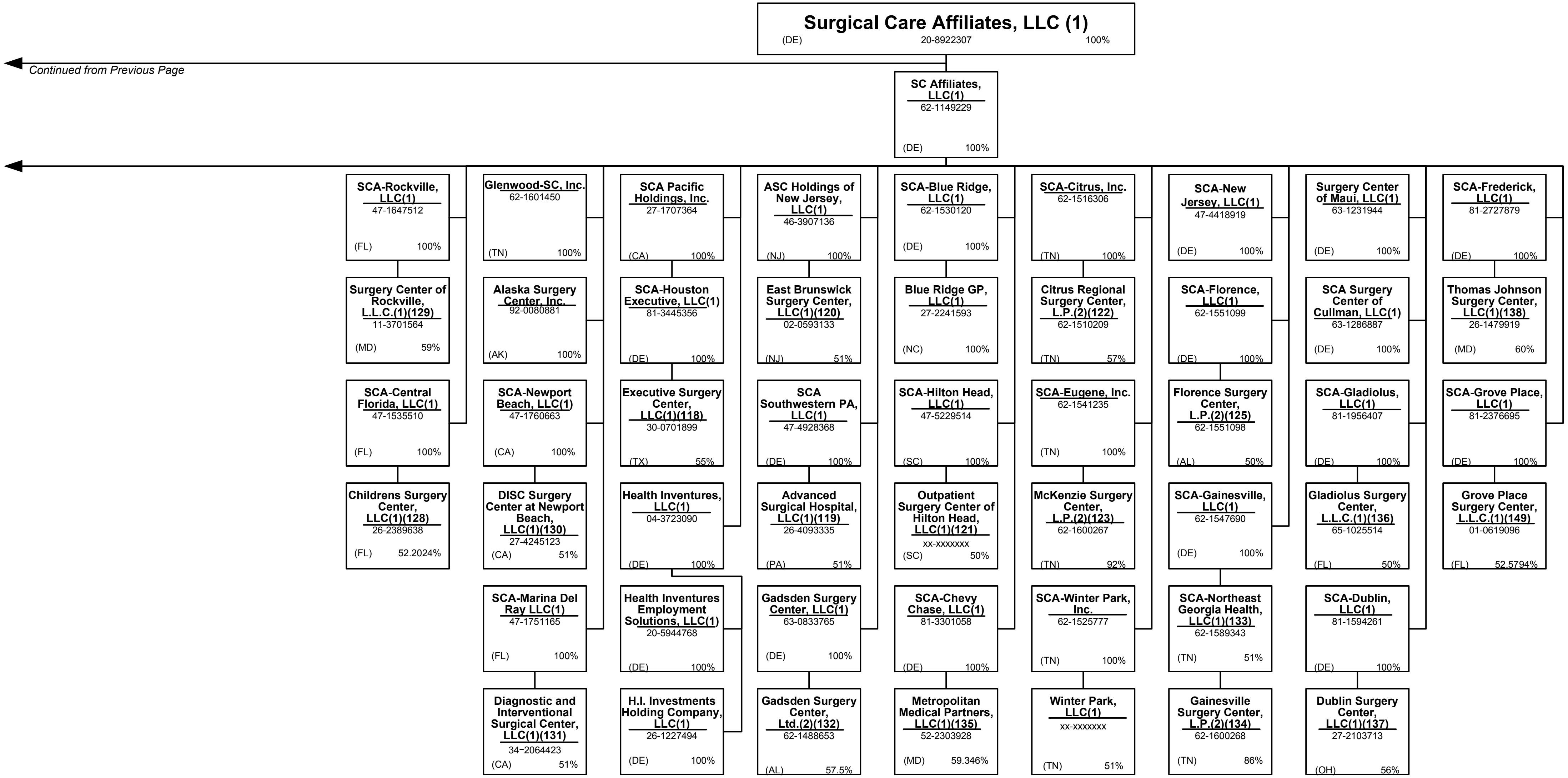
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company
(2) Entity is a Partnership
(3) Entity is a Non-Profit Corporation
(4) Control of the Foundation is based on sole membership, not the ownership of voting securities
(5) COI Participações S.A. is 89.10289% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10.8971% owned by COIPAR Participações S.A.
(6) Health Net Services is a company duly incorporated under the laws of Bermuda and holds a Bermuda insurer license.
(7) UnitedHealthcare India Private Limited is 99.999385% owned by UnitedHealthcare International II B.V. and 0.00065% owned by UnitedHealth International, Inc.
(8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
(9) Newton Holdings, LLC, is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% is owned by outside shareholders.
(10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.
(11) Seisa Serviços Integrados de Saúde Ltda is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.000007% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.
(12) Optum Health & Technology (India) Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.
(13) INSPIRIS of Texas Physician Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.
(14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.
(15) Optum Clinics Holdings, Inc. is 97.2% owned by Collaborative Care Holdings, LLC and 2.8% is owned by external shareholders.
(16) Optum Global Solutions (India) Private Limited is 99.999466 % (1,872,266,000 shares) owned by Optum Global Solutions International BV and 0.000534% (10.000 shares) UnitedHealth International, Inc. as nominee of Optum Global Solutions International BV per India requirement to have two shareholders.
(17) Amico Saúde Ltda. is 98.927933% owned by Amil Assistência Médica Internacional S.A. and 1.072067% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.
(18) Esho – Empresa de Serviços Hospitalares S.A. is 99.630% owned by Amil Assistência Médica Internacional S.A.and 0.370368% owned by Treasury Shares and .7409758% owned by external shareholders.
(19) Etho – Empresa de Technologia Hospitalar Ltda. 82.642% owned by Amil Assistência Médica Internacional S.A.and 17.358% owned by an external shareholder.
(20) Orthology, Inc. is 80% owned by UnitedHealth Group Ventures, LLC and 20% owned by external shareholders.
(21) Medalliance Net Ltda. is owned 99.999985% by Optum Health & Technology Serviços do Brasil Ltda. and 0.000015% by UHG Brasil Participações S.A.
(22) Branch offices in Iraq and Uganda.
(23) Cemed Care Empressa de Atendimento Clínico Geral Ltda. Is 99.9999996% owned by Amil Assistência Médica Internacional S.A. and 0.000004% owned by Amico Sáude Ltda.
(24) Optum 360, LLC is 69% owned by Optum Rocket, Inc; the remaining 31% is owned by external holders.
(25) Optum Health & Technology Serviços do Brasil Ltda. is 99.9964% owned by Optum Global Solutions International B.V. and .0036% owned by OptumInsight, Inc.
(26) Bosque Medical Center Ltda. is 82.58% owned by Amil Assistência Médica Internacional S.A.and 17.41949% owned by Esho – Empresa de Servicos Hospitalares S.A.
(27) H&W Indemnity (SPC), Ltd. is an exempted segregated portfolio company organized under the laws of the Cayman Islands and holds a Cayman insurance license.
(28) Real Appeal, Inc. is majority-owned by UHG or one of its affiliates and the remaining 2% is owned by Real Appeal Management.
(29) Optum Global Solutions (Philippines), Inc. is 99.992% owned by Optum Global Solutions International B.V., and the remaining 0.008% is held by the company's directors.
(30) Amil Clinical Research Participações Ltda. is 99.95% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.05% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.
(31) Imed Star Serviços de Desempenho Organizacional Ltda. is 99.99998% owned by Optum Health & Technology Serviços do Brasil Ltda and 0.00002% owned by UHG Brasil Participações S.A.
(32) Hospital de Clínicas de Jacarepaguá Ltda. is 99.999998% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000002% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
(33) Hospital Alvorada Taguatinga Ltda.is 89.06% owned by Amil Assistência Médica Internacional S.A, 10.94% by Bosque Medical Center Ltda.
(34) Registered as foreign shareholder in Brazil. Optum Global Solutions International B.V. is held 97.48% by Optum Technology, Inc. and 2.52% by OptumHealth International B.V.
(35) FrontierMEDEX Kenya Limited is 99.9% owned by Frontier MEDEX Limited and 0.1% owned by UnitedHealthcare International I B.V.
(36) TBD
(37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (25.9341%), Hygeia Corporation (DE) (0.3523%) and UnitedHealth Group Incorporated (100%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P.
(38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.
(39) UnitedHealthcare International III S.á r.l. is 69.995% owned by UnitedHealthcare Europe S.á r.l. and 30.005% owned by UnitedHealthcare International II S.á r.l.
(40) Amil Assistência Médica Internacional S.A. is 91.81% owned by Polar II Fundo de Investimento em Participações and the remaining 8.19% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.
(41) Lusíadas A.C.E. is 55% owned by Lusíadas, SGPS, S.A., 10% owned by Lusíadas – Parcerias Cascais, S.A., 20% owned by Lusiadas, S.A., 5% owned by Clínica Médico Cirúrgica de Santa Tecla, S.A. and 10% owned by CLISA – Clínica de Santo António, S.A.
(42) Centro Médico PJ Ltda. is 99.999948% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.0000052% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
(43) Frontier Medex Tanzania Limited is 99% owned by Frontier MEDEX Limited. The remaining 1% is owned by a former officer of Frontier MEDEX Limited and is being transferred to UnitedHealthcare International I BV.
(44) Optum Solutions do Brasil – Tecnologia e Serviços de Suporte Ltda., is 99.999998% owned by Optum Global Solutions International B.V.and 0.00002% owned by OptumInsight, Inc.
(45) Multiangio Ltda. is 68% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 32% is owned by external shareholders.
(46) Polo Holdco, LLC is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% being owned by an outside third party.
(47) Excellion Serviços Biomédicos Ltda is 99.999997% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000003% is owned by Cemed Care - Empresa de Atendimento Clínico Geral Ltda.
(48) Hospital Samaritano de São Paulo Ltda. is 99.9999998% owned by Esho – Empresa de Serviços Hospitalares S.A.and the remaining 0.0000002% is owned by Hospital Alvorada Taguatinga Ltda.
(49) Branch office located in Hong Kong.
(50) ABCO India Private Limited is 99% owned by ABCO International Holdings, LLC and 1% owned by The Advisory Board Company.
(51) TBD
(52) TBD
(53) ProHEALTH Medical Management, LLC is 80% owned by Collaborative Care Holdings, LLC and 20% owned by an external shareholder.
(54) ProHEALTH Fitness of Lake Success, LLC is 82.62% owned by ProHEALTH Medical Management, LLC and 17.38% by an external shareholder.
(55) Savvysherpa Asia, Inc. is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
(56) Fortify Technologies Asia, LLC is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
(57) Virtual Therapeutics Corporation is 67% owned by Savvysherpa, LLC and the remaining 33.4% is owned by an outside third party.
(58) BriovaRx Infusion Services 301, LP is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by BriovaRx Infusion Services 305, LLC.
(59) TBD
(60) Hospitais Associados de Pernambuco Ltda. is 90% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10% is owned by an external shareholder.
(61) Topimagem Diagnóstico por Imagem Ltda.is 89% owned by Esho – Empresa de Serviços Hospitalares S.A., and the remaining 11% interest is owned by external shareholders.
(62) Dilab – Medicina Nuclear Ltda is 85% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 15% is owned by external shareholders.
(63) WellMed Networks – DFW, Inc. is 50% owned by WellMed Networks, Inc. and 50% owned by USMD Inc. WellMed Medical Management, Inc. controls 100% of WellMed Networks - DFW.
(64) Clinica Oftalmologica Danilo de Castro Sociedade Simples is 99.66% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.333333% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
(65) Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda. is 99.99% owned by Hospital Alvorada de Taguatinga Ltda.and the remaining 0.000012% is owned by Esho – Empresa de Serviços Hospitalares S.A.
(66) CMO – Centro Médico de Oftalmologia S/S Ltda. is 99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 1% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
(67) TBD

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

PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(68) Elual Participações S.A. is 60% owned by Amil Assistência Médica Internacional S.A. and 40% by Esho – Empresa de Serviços Hospitalares S.A.
(69) Hospital Santa Helena S.A. is 65.21% owned by Elual Participações S.A. and 33.60% owned by Esho – Empresa de Serviços Hospitalares S.A. and 1.19% is owned by external shareholder
(70) Santa Helena Assistência Médica S.A. is 65.21% owned by Elual Participações S.A. and the remaining 33.60% is owned by Amil Assistência Médica Internacional S.A. and 1.19% is owned by external shareholder
(71) N/A
(72) Hospital Ana Costa S.A. is 57.41% owned by Plano de Saúde Ana Costa Ltda., 13.012% by Hospital Alvorada Taguatinga Ltda. and the remaining 29.576% is owned by external shareholders.
(73) Pomerado Outpatient Surgical Center, Inc. holds a 50.75% general partnership interest and 6% limited partnership interest in Pomerado Outpatient Surgical Center, L.P.
(74) Pasteur Plaza Surgery Center GP, Inc. holds a 51% general partnership interest and a 27.706% limited partnership interest in Pasteur Plaza Surgery Center, L.P.
(75) Surgery Center Holding, LLC holds a 51% general partnership interest and a 23.94% limited partnership interest in B.R.A.S.S. Partnership in Commendam
(76) The remaining 25% membership interest is owned by Trinity Health-New England, Inc.
(77) Connecticut Surgical Center, LLC holds a 51% general partnership interest and a 14% limited partnership interest in Connecticut Surgery Center, Limited Partnership.
(78) SCA of Clarksville, Inc. holds a 51% general partnership interest and a 49% limited partnership interest in Surgery Center of Clarksville, L.P.
(79) Surgery Center of Vero Beach, Inc. holds a 40% general partnership interest and a 59% limited partnership interest in Indian River Surgery Center, Ltd.
(80) TBD
(81) TBD
(82) TBD
(83) SCA Salt Lake Surgical Center, Inc. holds a 71.25% limited partnership interest and a 20% general partnership interest in Salt Lake Surgical Center, L.P.
(84) Wauwatosa Outpatient Surgery Center, LLC holds a 51% limited partnership interest in Wauwatosa Surgery Center, Limited Partnership.
(85) Surgery Centers-West Holdings, LLC holds a 71% limited partnership interest and a 1% general partnership interest in Golden Triangle Surgicenter, L.P.
(86) TBD
(87) TBD
(88) Mississippi Surgery Holdings, LLC holds a 41% general partnership interest and a 59% limited partnership interest in Mississippi Surgical Center Limited Partnership.
(89) TBD
(90) TBD
(91) TBD
(92) TBD
(93) TBD
(94) TBD
(95) Northern Rockies Surgicenter, Inc. holds a 51% general partnership interest and a 4.25% limited partnership interest in Northern Rockies Surgery Center, L.P.
(96) NSC Lancaster, LLC holds a 81.24% limited partnership interest and a 1% general partnership interest in Antelope Valley Surgery Center, L.P.
(97) NSC Sarasota, Inc. holds a 81.1% limited partnership interest and a 1.02% general partnership interest in Sarasota Endoscopy Center, L.P.
(98) NSC Upland, LLC holds an 80% general partnership interest and a 12.81% limited partnership interest in Upland Outpatient Surgical Center, L.P.
(99) TBD
(100) Surgicare of Minneapolis, LLC holds a 50% general partnership interest and a 30.5% limited partnership interest in Surgicare of Minneapolis, Ltd., a MN Limited Partnership
(101) TBD
(102) Waco Outpatient Surgical Center, Inc. holds a 51% general partnership interest and a 48% limited partnership interest in Waco Surgical Center, Ltd.
(103) Blackstone Valley Surgicare GP, LLC holds a 40% general partnership interest and a 59% limited partnership interest in Blackstone Valley Surgicare Acquisition, L.P.
(104) Wayland Square Surgicare GP, Inc. holds a 40% general partnership interest and a 59% limited partnership interest in Wayland Square Surgicare Acquisition, L.P.
(105) Northwest Surgicare, LLC holds a 51% general partnership interest and a 5% limited partnership interest in Northwest Surgicare, Ltd., an IL Limited Partnership
(106) Surgery Center of Des Moines, LLC holds a 51% general partnership interest and a 14.85% limited partnership interest in Surgery Centers of Des Moines, Ltd., an IA Limited Partnership
(107) TBD
(108) Surgery Center of Louisville, LLC holds a 51% general partnership interest and a 14.4% limited partnership interest in Louisville S.C., Ltd.
(109) TBD
(110) Surgery Center of Easton, LLC holds a 57% general partnership interest in The Surgery Center of Easton, L.P.
(111) TBD
(112) TBD
(113) The remaining 1% membership interest is owned by SCA Affiliates, LLC
(114) TBD
(115) TBD
(116) TBD
(117) SCA-Mt. Pleasant, LLC holds a 51% general partnership interest and a 44.41% limited partnership interest in Mt. Pleasant Surgery Center, L.P.
(118) TBD
(119) TBD
(120) TBD
(121) TBD
(122) SCA-Citrus, Inc. holds a 52% general partnership interest and a 5% limited partnership interest in Citrus Regional Surgery Center, L.P.
(123) SCA-Eugene, Inc. holds a 51% general partnership interest and a 41% limited partnership interest in McKenzie Surgery Center, L.P.
(124) SCA-Merritt, LLC holds a 50.08% general partnership interest in Space Coast Surgery Center, Ltd.
(125) SCA-Florence, LLC holds a 50% general partnership interest in Florence Surgery Center, L.P.
(126) SCA-South Jersey, LLC holds a 51% general partnership interest and a 19.95% limited partnership interest in Surgical Center of South Jersey, Limited Partnership. SC Affiliates, LLC also holds a 0.73% limited partnership interest in Surgical Center of South Jersey, Limited Partnership.
(127) SCA-Colorado Springs, LLC holds a 51% general partnership interest and a 44% limited partnership interest in Colorado Springs Surgery Center, Ltd.
(128) TBD
(129) TBD
(130) TBD
(131) TBD
(132) TBD
(133) Gadsden Surgery Center, LLC holds a 51% general partnership interest and a 6.5% limited partnership interest in Gadsden Surgery Center, Ltd.
(134) TBD
(135) SCA-Northeast Georgia Health, LLC holds a 51% general partnership interest and a 35% limited partnership interest in Gainesville Surgery Center, L.P.
(136) TBD
(137) TBD
(138) TBD
(139) TBD
(140) TBD
(141) SCA Stonegate Holdings, LLC holds a 52% general partnership interest in Stonegate Surgery Center, L.P.
(142) TBD
(143) TBD
(144) Redlands Ambulatory Surgery Center holds a 51% general partnership interest and a 7.22% limited partnership interest in Inland Surgery Center, L.P. SC Affiliates also holds a 13.03% limited partnership interest in Inland Surgery Center, L.P.
(145) Bakersfield-SC, LLC holds a 25% general partnership interest and a 71% limited partnership interest in Bakersfield Physicians Plaza Surgical Center, L.P.
(146) Bakersfield Physicians Plaza Surgical Center, L.P. holds a 99% general partnership interest and Physicians Plaza Holdings, LLC holds a 1% limited partnership interest in Southwest Surgical Center of Bakersfield, L.P.
(147) TBD
(148) TBD
(149) Muskogee Surgical Investors, LLC holds a 51% general partnership interest and a 17.5% limited partnership interest in Three Rivers Surgical Care, L.P.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses 1 Cost Containment Expenses	Claim Adjustment Expenses 2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
2504. Miscellaneous Losses	847	339	(218,987)	0	(217,801)
2505. Professional Fees/Consulting	260,189	104,289	413,825	0	778,303
2506. Sundry General Expenses	2,234,090	895,469	4,058,695	0	7,188,254
2597. Summary of remaining write-ins for Line 25 from overflow page	2,495,126	1,000,097	4,253,533	0	7,748,756

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

ANNUAL STATEMENT BLANK (Continued)