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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017

OF THE CONDITION AND AFFAIRS OF THE

Coventry Health Care of Kansas, Inc.

NAIC Group Code 0001 (Current) 0001 (Prior) NAIC Company Code 95489 Employer's ID Number 48-0840330

Organized under the Laws of Kansas, State of Domicile or Port of Entry KS

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 01/02/1976 Commenced Business 10/01/1981

Statutory Home Office 8535 E. 21st Street N. (Street and Number), Wichita , KS, US 67206 (City or Town, State, Country and Zip Code)

Main Administrative Office 9401 Indian Creek Parkway, Ste. 1300 (Street and Number)

Overland Park , KS, US 66210 (City or Town, State, Country and Zip Code), 913-202-5400 (Area Code) (Telephone Number)

Mail Address 9401 Indian Creek Parkway, Ste. 1300 (Street and Number or P.O. Box), Overland Park , KS, US 66210 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 9401 Indian Creek Parkway, Ste. 1300 (Street and Number)

Overland Park , KS, US 66210 (City or Town, State, Country and Zip Code), 913-202-5400 (Area Code) (Telephone Number)

Internet Website Address www.chckansas.com

Statutory Statement Contact Frank F. Chronister (Name), 717-541-5742 (Area Code) (Telephone Number)

fchronister@aetna.com (E-mail Address), 717-526-2888 (FAX Number)

OFFICERS

President	Keith Ivan Wisdom	Vice President and Treasurer	John Patrick Maroney #
Vice President and Secretary	Edward Chung-I Lee		

OTHER

Kevin James Casey, Senior Investment Officer	Frank Ferris Chronister III, Corporate Controller	James Harmon Utley, Senior Medical Director
Randy Curtis Oursler, Chief Financial Officer		

DIRECTORS OR TRUSTEES

Gregory Stephen Martino	Michael Andrew Nelson	Keith Ivan Wisdom

State of

County of SS:

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

Keith Ivan Wisdom	Edward Chung-I Lee	John Patrick Maroney
President	Vice President and Secretary	Vice President and Treasurer

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

ASSETS

		Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	49,009,822	0	49,009,822	65,942,090
2.	Stocks (Schedule D):				
	2.1 Preferred stocks		0	0	0
	2.2 Common stocks	1,177,242	0	1,177,242	2,216,040
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ encumbrances)			0	0
	4.2 Properties held for the production of income (less $ encumbrances)			0	0
	4.3 Properties held for sale (less $ encumbrances)			0	0
5.	Cash ($ 3,691,003 , Schedule E - Part 1), cash equivalents ($ 2,205,929 , Schedule E - Part 2) and short-term investments ($ 0 , Schedule DA)	5,896,932		5,896,932	26,828,607
6.	Contract loans, (including $ premium notes)			0	0
7.	Derivatives (Schedule DB)		0	0	0
8.	Other invested assets (Schedule BA)			0	0
9.	Receivables for securities			0	0
10.	Securities lending reinvested collateral assets (Schedule DL)		0	0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	56,083,996	0	56,083,996	94,986,737
13.	Title plants less $ charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	535,854	0	535,854	729,163
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	75,291	46,748	28,543	5,105,131
	15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including $ earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums ($) and contracts subject to redetermination ($ 195,306)	195,306	0	195,306	1,774,752
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	89,089	0	89,089	967,457
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans			0	2,929,305
18.1	Current federal and foreign income tax recoverable and interest thereon			0	2,035,214
18.2	Net deferred tax asset	3,340,760	0	3,340,760	5,957,099
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($)	3,015,764	3,015,764	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates	1,621,894	2,192	1,619,702	608,128
24.	Health care ($) and other amounts receivable	2,576	2,576	0	686,900
25.	Aggregate write-ins for other than invested assets	0	0	0	173,886
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	64,960,530	3,067,280	61,893,250	115,953,772
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	64,960,530	3,067,280	61,893,250	115,953,772
	DETAILS OF WRITE-INS				
1101.				0	0
1102.				0	0
1103.				0	0
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	Other assets	0	0	0	173,886
2502.		0	0	0	0
2503.		0	0	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	173,886

LIABILITIES, CAPITAL AND SURPLUS

	Current Year 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $ 0 reinsurance ceded)	972,301	118,770	1,091,071	6,559,565
2. Accrued medical incentive pool and bonus amounts	63,414		63,414	92,534
3. Unpaid claims adjustment expenses	17,978		17,978	75,781
4. Aggregate health policy reserves, including the liability of $ 639,362 for medical loss ratio rebate per the Public Health Service Act	2,249,304		2,249,304	7,696,190
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves	17,831		17,831	47,977
8. Premiums received in advance	115,504		115,504	1,707,690
9. General expenses due or accrued	902,510		902,510	3,009,323
10.1 Current federal and foreign income tax payable and interest thereon (including $ on realized capital gains (losses))	694,254		694,254	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	14,099,236
13. Remittances and items not allocated	486,923		486,923	1,689,272
14. Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	3,768,529		3,768,529	5,077,997
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with $ authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified ($) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	108,713		108,713	1,252,454
23. Aggregate write-ins for other liabilities (including $ current)	554,224	0	554,224	827,071
24. Total liabilities (Lines 1 to 23)	9,951,485	118,770	10,070,255	42,135,090
25. Aggregate write-ins for special surplus funds	XXX	XXX	383,000	0
26. Common capital stock	XXX	XXX	5,000	5,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	172,771,800	172,771,800
29. Surplus notes	XXX	XXX	0	
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(121,336,805)	(98,958,118)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 $)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 $)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	51,822,995	73,818,682
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	61,893,250	115,953,772
DETAILS OF WRITE-INS				
2301. Escheat payable	554,224	0	554,224	827,071
2302.			0	
2303.	0	0	0	0
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)	554,224	0	554,224	827,071
2501. Estimated health insurance fee accrual	XXX	XXX	383,000	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
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	383,000	0
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
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	32,234	265,590
2.	Net premium income (including $ .... non-health premium income)	XXX	13,675,962	371,446,450
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(566,905)	(3,570,056)
4.	Fee-for-service (net of $ .... medical expenses)	XXX	0	0
5.	Risk revenue	XXX	0	0
6.	Aggregate write-ins for other health care related revenues	XXX	(1,202)	(3,120)
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	13,107,855	367,873,275
	Hospital and Medical:			
9.	Hospital/medical benefits	820,247	7,535,150	73,860,879
10.	Other professional services	44,568	409,424	6,450,549
11.	Outside referrals	80,411	738,693	5,478,119
12.	Emergency room and out-of-area	48,089	441,768	4,865,077
13.	Prescription drugs		2,588,333	14,990,841
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		(2,339)	10,715
16.	Subtotal (Lines 9 to 15)	993,315	11,711,029	105,656,180
	Less:			
17.	Net reinsurance recoveries		2,701,681	(186,009,122)
18.	Total hospital and medical (Lines 16 minus 17)	993,315	9,009,348	291,665,302
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ 374,029 cost containment expenses		439,208	6,605,399
21.	General administrative expenses		1,299,575	41,609,991
22.	Increase in reserves for life and accident and health contracts (including $ .... increase in reserves for life only)		0	0
23.	Total underwriting deductions (Lines 18 through 22)	993,315	10,748,131	339,880,692
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	2,359,724	27,992,582
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		2,374,551	3,691,819
26.	Net realized capital gains (losses) less capital gains tax of $ 50,186		(100,815)	1,178,141
27.	Net investment gains (losses) (Lines 25 plus 26)	0	2,273,736	4,869,960
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ ....) (amount charged off $ ....)]			0
29.	Aggregate write-ins for other income or expenses	0	0	0
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	4,633,460	32,862,542
31.	Federal and foreign income taxes incurred	XXX	(326,510)	7,167,698
32.	Net income (loss) (Lines 30 minus 31)	XXX	4,959,970	25,694,844
	DETAILS OF WRITE-INS			
0601.	Non medical income	XXX	(1,202)	(3,120)
0602.		XXX	0	0
0603		XXX	0	0
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	(1,202)	(3,120)
0701.		XXX	0	0
0702.		XXX	0	0
0703		XXX	0	0
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.		0	0	0
1402.		0	0	0
1403.		0	0	0
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.		0	0	0
2902.		0	0	0
2903		0	0	0
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	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	73,818,682	93,122,040
34.	Net income or (loss) from Line 32	4,959,970	25,694,844
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $ (33,862)	5,279	837,218
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(10,512,354)	(3,697,493)
39.	Change in nonadmitted assets	9,551,418	2,862,073
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
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in	0	0
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders	(26,000,000)	(45,000,000)
47.	Aggregate write-ins for gains or (losses) in surplus	0	0
48.	Net change in capital and surplus (Lines 34 to 47)	(21,995,687)	(19,303,358)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	51,822,995	73,818,682
	DETAILS OF WRITE-INS		
4701.		0	
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	0

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	12,219,140	359,625,481
2.	Net investment income	3,032,329	5,379,507
3.	Miscellaneous income	(1,202)	(3,120)
4.	Total (Lines 1 through 3)	15,250,267	365,001,868
5.	Benefit and loss related payments	12,656,244	323,912,543
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	7,283,624	48,877,862
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	(3,005,792)	8,587,432
10.	Total (Lines 5 through 9)	16,934,076	381,377,837
11.	Net cash from operations (Line 4 minus Line 10)	(1,683,809)	(16,375,969)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	19,915,323	104,221,093
	12.2 Stocks	884,168	4,673,061
	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	126	(18)
	12.7 Miscellaneous proceeds	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	20,799,617	108,894,136
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	3,372,235	480,349
	13.2 Stocks	0	6,005,814
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	0	200
	13.7 Total investments acquired (Lines 13.1 to 13.6)	3,372,235	6,486,363
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)	17,427,382	102,407,773
	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	26,000,000	45,000,000
	16.6 Other cash provided (applied)	(10,675,248)	(34,441,885)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(36,675,248)	(79,441,885)
	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)	(20,931,675)	6,589,919
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	26,828,607	20,238,688
	19.2 End of year (Line 18 plus Line 19.1)	5,896,932	26,828,607

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

20.0001. Non-Cash Transactions - Tax Free Acquisitions	963,073	2,798,916

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	13,675,962	15,179,019					(1,503,057)			
2. Change in unearned premium reserves and reserve for rate credit	(566,905)	(566,905)								
3. Fee-for-service (net of $ .... medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	(1,202)	(1,202)	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)	13,107,855	14,610,912	0	0	0	0	(1,503,057)	0	0	0
8. Hospital/medical benefits	7,535,150	6,837,928				(36,459)	733,681			XXX
9. Other professional services	409,424	371,553				(1,980)	39,851			XXX
10. Outside referrals	738,693	670,366				(3,573)	71,900			XXX
11. Emergency room and out-of-area	441,768	400,906				(2,137)	42,999			XXX
12. Prescription drugs	2,588,333	1,966,632				4	621,697			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	(2,339)	(2,339)				0	0			XXX
15. Subtotal (Lines 8 to 14)	11,711,029	10,245,046	0	0	0	(44,145)	1,510,128	0	0	XXX
16. Net reinsurance recoveries	2,701,681	260,134				0	2,441,547			XXX
17. Total medical and hospital (Lines 15 minus 16)	9,009,348	9,984,912	0	0	0	(44,145)	(931,419)	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ 374,028 cost containment expenses	439,208	285,007				0	(21,371)		175,572	
20. General administrative expenses	1,299,575	2,537,600	0			(45,430)	(633,396)		(559,199)	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	10,748,131	12,807,519	0	0	0	(89,575)	(1,586,186)	0	(383,627)	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	2,359,724	1,803,393	0	0	0	89,575	83,129	0	383,627	0
DETAILS OF WRITE-INS										
0501. Miscellaneous Income	(1,202)	(1,202)								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)	(1,202)	(1,202)	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)	15,179,019			15,179,019
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	163,741	(1,666,798)		(1,503,057)
7. Title XIX - Medicaid	0			0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	15,342,760	(1,666,798)	0	13,675,962
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	15,342,760	(1,666,798)	0	13,675,962

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	17,223,170	14,820,703				18,839	2,383,628			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	3,680,297	1,238,750					2,441,547			
1.4 Net	13,542,873	13,581,953	0	0	0	18,839	(57,919)	0	0	0
2. Paid medical incentive pools and bonuses	26,781	26,781								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	1,091,071	1,077,792	0	0	0	13,279	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	1,091,071	1,077,792	0	0	0	13,279	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	17,831	17,601				230				
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	17,831	17,601	0	0	0	230	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	63,414	63,414								
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	6,570,726	5,621,637	0	0	0	75,589	873,500	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	11,160	11,160	0	0	0	0	0	0	0	0
8.4 Net	6,559,566	5,610,477	0	0	0	75,589	873,500	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	47,978	47,074				904				
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	47,978	47,074	0	0	0	904	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	92,534	92,534								
11. Amounts recoverable from reinsurers December 31, prior year	967,456	967,456								
12. Incurred Benefits:										
12.1 Direct	11,713,368	10,247,385	0	0	0	(44,145)	1,510,128	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	2,701,681	260,134	0	0	0	0	2,441,547	0	0	0
12.4 Net	9,011,687	9,987,251	0	0	0	(44,145)	(931,419)	0	0	0
13. Incurred medical incentive pools and bonuses	(2,339)	(2,339)	0	0	0	0	0	0	0	0

(a) Excludes $ .... 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	0									
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1 Direct	1,091,071	1,077,792				13,279				
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	1,091,071	1,077,792	0	0	0	13,279	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	1,091,071	1,077,792	0	0	0	13,279	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	1,091,071	1,077,792	0	0	0	13,279	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
Line of Business	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)	2,405,825	12,143,582	138,830	956,563	2,544,655	5,657,550
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	18,839	0	13,509		32,348	76,493
6. Title XVIII - Medicare	(57,918)				(57,918)	873,501
7 Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	2,366,746	12,143,582	152,339	956,563	2,519,085	6,607,544
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts		26,781	10,430	52,984	10,430	92,534
13. Totals (Lines 9 - 10 + 11 + 12)	2,366,746	12,170,363	162,769	1,009,547	2,529,515	6,700,078

(a) Excludes $ .... 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 - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	28,443	28,443	28,443	28,443	28,443
2. 2013	258,519	275,113	275,113	275,113	275,113
3. 2014	XXX	170,942	186,915	186,915	186,915
4. 2015	XXX	XXX	128,822	138,342	138,342
5. 2016	XXX	XXX	XXX	44,852	47,258
6. 2017	XXX	XXX	XXX	XXX	12,170

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	28,443	28,443	28,443	28,443	28,443
2. 2013	283,696	284,088	284,088	284,088	284,088
3. 2014	XXX	196,175	212,605	212,605	212,605
4. 2015	XXX	XXX	146,986	156,823	156,823
5. 2016	XXX	XXX	XXX	50,285	52,840
6. 2017	XXX	XXX	XXX	XXX	13,180

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

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	338,907	275,113	0	0.0	275,113	81.2	0	0	275,113	81.2
2. 2014	228,465	186,915	0	0.0	186,915	81.8	0	0	186,915	81.8
3. 2015	170,011	138,342	0	0.0	138,342	81.4	0	0	138,342	81.4
4. 2016	71,143	47,258	0	0.0	47,258	66.4	149	0	47,407	66.6
5. 2017	14,612	12,170	461	3.8	12,631	86.4	1,010	18	13,659	93.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Medicare Supplement

NONE

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

Section B - Incurred Health Claims - Medicare Supplement

NONE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior					
2. 2013					
3. 2014	XXX				
4. 2015	XXX	XXX			
5. 2016	XXX	XXX	XXX		
6. 2017	XXX	XXX	XXX	XXX	

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

NONE

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. 2014										
3. 2015										
4. 2016										
5. 2017										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Dental Only

NONE

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

Section B - Incurred Health Claims - Dental Only

NONE

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior					
2. 2013					
3. 2014	XXX				
4. 2015	XXX	XXX			
5. 2016	XXX	XXX	XXX		
6. 2017	XXX	XXX	XXX	XXX	

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

NONE

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. 2014										
3. 2015										
4. 2016										
5. 2017										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Vision Only

NONE

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

Section B - Incurred Health Claims - Vision Only

NONE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior					
2. 2013					
3. 2014	XXX				
4. 2015	XXX	XXX			
5. 2016	XXX	XXX	XXX		
6. 2017	XXX	XXX	XXX	XXX	

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

NONE

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. 2014										
3. 2015										
4. 2016										
5. 2017										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

	Cumulative Net Amounts Paid				
Year in Which Losses Were Incurred	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	5,198	5,198	5,198	5,198	5,198
2. 2013	30,404	33,193	33,193	33,193	33,193
3. 2014	XXX	21,503	24,654	24,654	24,654
4. 2015	XXX	XXX	24,960	27,427	27,427
5. 2016	XXX	XXX	XXX	89	108
6. 2017	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	5,198	5,198	5,198	5,198	5,198
2. 2013	32,606	32,646	32,646	32,646	32,646
3. 2014	XXX	24,219	27,407	27,407	27,407
4. 2015	XXX	XXX	27,911	30,433	30,433
5. 2016	XXX	XXX	XXX	111	143
6. 2017	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

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	37,484	33,193	0	0.0	33,193	88.6	0	0	33,193	88.6
2. 2014	35,358	24,654	0	0.0	24,654	69.7	0	0	24,654	69.7
3. 2015	33,810	27,427	0	0.0	27,427	81.1	0	0	27,427	81.1
4. 2016	502	108	0	0.0	108	21.5	14	0	122	24.3
5. 2017	0	0	0	0.0	0	0.0	0	0	0	0.0

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	10,019	10,019	10,019	10,019	10,019
2. 2013	267,797	279,053	279,053	279,053	279,053
3. 2014	XXX	285,554	297,252	297,252	297,252
4. 2015	XXX	XXX	287,829	297,869	297,869
5. 2016	XXX	XXX	XXX	261,100	261,042
6. 2017	XXX	XXX	XXX	XXX	

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	10,019	10,019	10,019	10,019	10,019
2. 2013	281,192	281,547	281,547	281,547	281,547
3. 2014	XXX	301,355	314,106	314,106	314,106
4. 2015	XXX	XXX	308,260	318,300	318,300
5. 2016	XXX	XXX	XXX	261,973	261,915
6. 2017	XXX	XXX	XXX	XXX	0

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	156,945	279,053	0	0.0	279,053	177.8	0	0	279,053	177.8
2. 2014	175,863	297,252	0	0.0	297,252	169.0	0	0	297,252	169.0
3. 2015	183,475	297,869	0	0.0	297,869	162.3	0	0	297,869	162.3
4. 2016	299,801	261,042	0	0.0	261,042	87.1	0	0	261,042	87.1
5. 2017	(1,503)	0	(21)	0.0	(21)	1.4	0	0	(21)	1.4

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	22,490	22,490	22,490	22,490	22,490
2. 2013				0	0
3. 2014	XXX	384	384	384	384
4. 2015	XXX	XXX	(1,244)	(1,244)	(1,244)
5. 2016	XXX	XXX	XXX	(9)	(9)
6. 2017	XXX	XXX	XXX	XXX	

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	24,370	24,370	24,370	24,370	24,370
2. 2013	0	(34)	(34)	(34)	(34)
3. 2014	XXX	384	384	384	384
4. 2015	XXX	XXX	(1,244)	(1,244)	(1,244)
5. 2016	XXX	XXX	XXX	(9)	(9)
6. 2017	XXX	XXX	XXX	XXX	0

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	285	0	0	0.0	0	0.0	0	0	0	0.0
2. 2014	0	384	0	0.0	384	0.0	0	0	384	0.0
3. 2015	0	(1,244)	0	0.0	(1,244)	0.0	0	0	(1,244)	0.0
4. 2016	0	(9)	0	0.0	(9)	0.0	0	0	(9)	0.0
5. 2017		0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Other

NONE

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

Section B - Incurred Health Claims - Other

NONE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior					
2. 2013					
3. 2014	XXX				
4. 2015	XXX	XXX			
5. 2016	XXX	XXX	XXX		
6. 2017	XXX	XXX	XXX	XXX	

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

NONE

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. 2014										
3. 2015										
4. 2016										
5. 2017										

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	66,150	66,150	66,150	66,150	66,150
2. 2013	556,720	587,359	587,359	587,359	587,359
3. 2014	XXX	478,383	509,205	509,205	509,205
4. 2015	XXX	XXX	440,367	462,394	462,394
5. 2016	XXX	XXX	XXX	306,032	308,399
6. 2017	XXX	XXX	XXX	XXX	12,170

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	68,030	68,030	68,030	68,030	68,030
2. 2013	597,494	598,247	598,247	598,247	598,247
3. 2014	XXX	522,133	554,502	554,502	554,502
4. 2015	XXX	XXX	481,913	504,312	504,312
5. 2016	XXX	XXX	XXX	312,360	314,889
6. 2017	XXX	XXX	XXX	XXX	13,180

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	533,621	587,359	0	0.0	587,359	110.1	0	0	587,359	110.1
2. 2014	439,686	509,205	0	0.0	509,205	115.8	0	0	509,205	115.8
3. 2015	387,296	462,394	0	0.0	462,394	119.4	0	0	462,394	119.4
4. 2016	371,446	308,399	0	0.0	308,399	83.0	163	0	308,562	83.1
5. 2017	13,109	12,170	440	3.6	12,610	96.2	1,010	18	13,638	104.0

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								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ ....) for investment income	2,249,304	642,568							1,606,736
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	2,249,304	642,568	0	0	0	0	0	0	1,606,736
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	2,249,304	642,568	0	0	0	0	0	0	1,606,736
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	17,831	17,601				230			
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	17,831	17,601	0	0	0	230	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	17,831	17,601	0	0	0	230	0	0	0
DETAILS OF WRITE-INS									
0501.									
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)	0	0	0	0	0	0	0	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 $ .... premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ .... for occupancy of own building)	10,297	1,039	2,120	1,262	14,718
2. Salary, wages and other benefits	281,045	31,987	1,052,681	33,534	1,399,247
3. Commissions (less $ .... ceded plus $ .... assumed)			384,002		384,002
4. Legal fees and expenses			12,617	103	12,720
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services		901	(192,082)	15,315	(175,866)
7. Traveling expenses	2,229	129	42,649	345	45,352
8. Marketing and advertising	176	1,935	90,411	8	92,530
9. Postage, express and telephone	3,422	709	66,588	131	70,850
10. Printing and office supplies		112	39,069	101	39,282
11. Occupancy, depreciation and amortization	5,547	865	(6,412)	305	305
12. Equipment		361	73,896	479	74,736
13. Cost or depreciation of EDP equipment and software	16	867	106,387	983	108,253
14. Outsourced services including EDP, claims, and other services	38,117	22,385	735,836	4,521	800,859
15. Boards, bureaus and association fees	85	8	3,027	149	3,269
16. Insurance, except on real estate	827	101	33,360	29	34,317
17. Collection and bank service charges	1	114	11,098	4,779	15,992
18. Group service and administration fees					0
19. Reimbursements by uninsured plans			(1,952,485)		(1,952,485)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses	46	14	37,733	22	37,815
22. Real estate taxes			4,374		4,374
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			153,303		153,303
23.2 State premium taxes			546,323		546,323
23.3 Regulatory authority licenses and fees			421,241		421,241
23.4 Payroll taxes	32,097	3,653	66,137	1,875	103,762
23.5 Other (excluding federal income and real estate taxes)			(245,354)		(245,354)
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	124	0	(186,943)	0	(186,819)
26. Total expenses incurred (Lines 1 to 25)	374,029	65,180	1,299,576	63,941	(a) 1,802,726
27. Less expenses unpaid December 31, current year	15,310	2,668	902,510		920,488
28. Add expenses unpaid December 31, prior year		75,781	3,009,323		3,085,104
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	358,719	138,293	3,406,389	63,941	3,967,342
DETAILS OF WRITE-INS					
2501. Miscellaneous	124		21,976		22,100
2502. Management fee allocation					0
2503. Loss adjustment expense			(57,695)		(57,695)
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	(151,224)	0	(151,224)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	124	0	(186,943)	0	(186,819)

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

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 26,874	26,874
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 2,498,150	2,304,841
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 0	
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	49,191	49,191
2.21	Common stocks of affiliates	0	
3.	Mortgage loans	(c) 0	
4.	Real estate	(d) 0	
5	Contract Loans	0	
6	Cash, cash equivalents and short-term investments	(e) 38,282	38,282
7	Derivative instruments	(f) 0	0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	19,302	19,302
10.	Total gross investment income	2,631,799	2,438,490
11.	Investment expenses		(g) 62,066
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 1,875
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		63,941
17.	Net investment income (Line 10 minus Line 16)		2,374,549
	DETAILS OF WRITE-INS		
0901.	Misc Sec Lending	3,860	3,860
0902.	Interest Income	15,442	15,442
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)	19,302	19,302
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 $ 131,212 accrual of discount less $ 595,681 amortization of premium and less $ 40,631 paid for accrued interest on purchases.

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

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

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

(e) Includes $ 38,212 accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.

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

(g) Includes $. 63,939 investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

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

(i) Includes $ depreciation on real estate and $ 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	0	0	0	0	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	65,343	0	65,343	9,948	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)	(116,098)	0	(116,098)	(38,531)	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans		0	0	0	0
4.	Real estate		0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	126		126		
7.	Derivative instruments			0		
8.	Other invested assets		0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	(50,629)	0	(50,629)	(28,583)	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
	3.2 Other than first liens			0
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company		0	0
	4.2 Properties held for the production of income			0
	4.3 Properties held for sale			0
5.	Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6.	Contract loans		0	0
7.	Derivatives (Schedule DB)	0	0	0
8.	Other invested assets (Schedule BA)			0
9.	Receivables for securities		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
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	46,748	661,822	615,074
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
	15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers	0	0	0
	16.2 Funds held by or deposited with reinsured companies			0
	16.3 Other amounts receivable under reinsurance contracts			0
17.	Amounts receivable relating to uninsured plans		0	0
18.1	Current federal and foreign income tax recoverable and interest thereon		0	0
18.2	Net deferred tax asset	0	7,862,153	7,862,153
19.	Guaranty funds receivable or on deposit		0	0
20.	Electronic data processing equipment and software		0	0
21.	Furniture and equipment, including health care delivery assets	3,015,764	3,702,849	687,085
22.	Net adjustment in assets and liabilities due to foreign exchange rates		0	0
23.	Receivable from parent, subsidiaries and affiliates	2,192	0	(2,192)
24.	Health care and other amounts receivable	2,576	391,874	389,298
25.	Aggregate write-ins for other than invested assets	0	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,067,280	12,618,698	9,551,418
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28.	Total (Lines 26 and 27)	3,067,280	12,618,698	9,551,418
	DETAILS OF WRITE-INS			
1101.			0	0
1102.			0	0
1103.			0	0
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.			0	0
2502.			0	0
2503.			0	0
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	0	0

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	4,321	767	754	737	551	8,720
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service	2,871	2,098	1,986	1,807	1,798	23,514
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
7.	Total	7,192	2,865	2,740	2,544	2,349	32,234
	DETAILS OF WRITE-INS						
0601.		0					
0602.		0					
0603.		0					
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

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies and going concern

A. Accounting practices

The accompanying statutory financial statements of Coventry Health Care of Kansas, (a Kansas corporation) (the "Company"), indirectly a wholly-owned subsidiary of Aetna Inc. ("Aetna"), have been prepared in conformity with accounting practices prescribed or permitted by the Kansas Insurance Department ("Kansas Department") ("Kansas Accounting Practices"). The Kansas Department recognizes only statutory accounting practices prescribed or permitted by the State of Kansas for determining and reporting the financial condition and results of operations of an insurance company, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP").

A reconciliation of the Company's net income and surplus between NAIC SAP and practices prescribed and permitted by the State of Kansas for the years ending December 31, 2017 and 2016 is as follows:

1. Summary of Significant Accounting Policies and Going Concern
A. Accounting Practices

		SSAP #	F/S Page	F/S Line #	2017	2016
NET INCOME						
(1)	State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	4,959,970	25,694,844
(2)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(3)	State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(4)	NAIC SAP (1-2-3=4)	XXX	XXX	XXX	4,959,970	25,694,844
SURPLUS						
(5)	State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	51,822,995	73,818,682
(6)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(7)	State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(8)	NAIC SAP (5-6-7=8)	XXX	XXX	XXX	51,822,995	73,818,682

B. Use of estimates in the preparation of the financial statements

The preparation of these financial statements in conformity with Kansas Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses. Actual results could differ from those estimates.

C. Accounting policies

The Company applies the following significant accounting policies:

(1) Cash, cash equivalents and short-term investments

Cash, cash equivalents and short-term investments, consisting primarily of money market instruments and other debt issues with an original maturity of up to one year, are carried at amortized cost. Short-term investments consist primarily of investments purchased with an original maturity date of greater than three months but less than one year. Cash equivalents consist of highly liquid instruments, which mature within three months from the date of purchase. The carrying amount of cash, cash equivalents and short-term investments approximates fair value.

(2) Bonds

Bonds, which include special deposits, are carried at amortized cost except for those bonds with an NAIC designation of 3 through 6, which are carried at the lower of amortized cost or fair value. The amount carried at fair value is not material to the financial statements. Bond premiums and discounts are amortized using the scientific interest method. When quoted prices in active markets for identical assets are available, the Company uses these quoted market prices to determine the fair value of bonds. This is used primarily for U.S. government securities. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, the Company estimates fair values using valuation methodologies based on available and observable market information or by using a matrix pricing model. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. The Company had no investments where fair value was determined using broker quotes or an internal analysis of financial performance and cash flow projections at December 31, 2017 and 2016. Bonds include all investments whose maturity is greater than one year when purchased.

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than-temporary. For bonds, other than loan-backed and structured securities, an other-than-temporary impairment ("OTTI") shall be recorded if it is probable that the Company will be unable to collect all amounts due according to the contractual terms in effect at the date of acquisition. Declines deemed to be OTTI in the cost basis are recognized as realized capital losses. Yield-related impairments are deemed other-than-temporary when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment.

For loan-backed and structured securities, the Company records OTTI when the fair value of the loan-backed or structured security is less than the amortized cost basis at the balance sheet date and (1) the Company intends to sell the investment, or (2) the Company does not have the intent and ability to retain the investment for the time sufficient to recover the amortized cost basis, or (3) the Company does not expect to recover the entire amortized cost basis of the security, even if it does not intend to sell the security and has the intent and ability to hold. If it is determined an OTTI has occurred because of (1) or (2), the amount of the OTTI is equal to the difference between the amortized cost and the fair value of the security at the balance sheet date and this difference is recorded as a realized capital loss. If it is determined an OTTI has occurred because of (3), the amount of the OTTI is equal to the difference between the amortized cost and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate and this difference is also accounted for as a realized capital loss.

The Company analyzes all relevant facts and circumstances for each investment when performing its analysis to determine whether an OTTI exists. Among the factors considered in evaluating whether a decline is other-than-temporary, management considers whether the decline in fair value results from a change in the quality of the investment security itself, whether the decline results from a downward movement in the market as a whole, the prospects for realizing the carrying value of the bond based on the investee's current and short-term prospects for recovery and other factors. The risks inherent in assessing the impairment of an investment include the risk that market factors may differ from our expectations and the risk that facts and circumstances factored into our assessment may change with the passage of time. Unexpected changes to market factors and circumstances that were not present in past reporting periods may result in a current period decision to sell securities that were not other-than-temporarily-impaired in prior reporting periods.

(3) Common stocks

Common stocks are recorded as purchases or sales on the trade date. Common stocks of non-affiliates are carried at fair value. Common stocks of affiliates are reported using the equity method. Common stocks of affiliates that are unaudited are nonadmitted. Non-economic contributions to affiliates are recorded as deferred gains and shall not be recognized unless and until an arms-length transaction with independent third parties give rise to appropriate recognition of the gain. Declines in the cost basis deemed to be OTTI are recognized as realized capital losses.

(4) The Company did not own any preferred stock at December 31, 2017 or 2016.

(5) The Company did not have any mortgage loans at December 31, 2017 or 2016.

(6) Securities lending

The Company engages in securities lending by lending certain securities from its investment portfolio to other institutions for short periods of time. Borrowers must post cash collateral in the amount of 102% to 105% of the fair value of a loaned security. The fair value of the loaned securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned securities fluctuates. The collateral is retained and invested by a lending agent according to the Company's guidelines to generate additional investment income for the Company. Pursuant to Statements of Statutory Accounting Principles ("SSAP") No. 103R - *Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ("SSAP No. 103R"), collateral required under the Company's securities lending program is carried on the Company's Statutory Statements of Assets and Liabilities, Capital and Surplus as both a receivable and payable. Also pursuant to SSAP No. 103R, if the collateral received from a counterparty is less than 100 percent at the reporting date, the difference between the actual collateral and 100 percent is nonadmitted. Collateral value is measured and compared to the loaned securities in aggregate by counterparty. The Company did not have any loaned securities at December 31, 2017 and 2016.

(7) The Company did not have any investments in any subsidiaries or affiliated companies at December 31, 2017 or 2016.

(8) The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2017 or 2016.

(9) The Company did not have any derivatives at December 31, 2017 or 2016.

(10) Aggregate health policy reserves and related expenses

Premium deficiency reserves (“PDR”) are recognized when it is probable that the expected future hospital and medical costs, including maintenance costs, will exceed anticipated future premiums and reinsurance recoveries on existing contracts. Where allowed, anticipated investment income is considered in the calculation of any PDR. For purposes of calculating a PDR, contracts are grouped in manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. The Company had no PDR at December 31, 2016 or 2015.

Unearned premium reserves (“UEP”) are recognized for premiums that are recorded by the Company that have not been earned as of the statement date. The UEP balances of $0 and $689 were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2017 and 2016, respectively.

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual medical loss ratios (“MLR”) were not met in the prior year. The Company’s results for full-year 2017 and 2016 included an estimate of $639,362 and $2,110,930, respectively, of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities and Capital and Surplus.

The Company reported liabilities associated with contracts subject to redetermination as aggregate health policy reserves in accordance with SSAP No. 54 – Individual and Group and Accident Health Contracts (“SSAP No. 54”) and SSAP No. 107 - Risk-Sharing Provisions of the Affordable Care Act (“SSAP No. 107”). The Company reported Federal Contingency Reserves of $1,606,735 and $1,606,735 in aggregate policy reserves at December 31, 2017 and 2016, respectively. The Company reported Affordable Care Act (“ACA”) Risk Adjustment Payables of $0 and $3,796,294 in aggregate health policy reserves at December 31, 2017 and 2016, respectively.

Additional amounts of $3,206 and $182,230 were included in aggregate health policy reserves at December 31, 2017 and 2016, respectively.

(11) Hospital and medical costs and claims adjustment expenses and related reserves

Hospital and medical costs consist principally of fee-for-service medical claims and capitation costs. Claims unpaid and aggregate health claim reserves include the Company's estimate of payments to be made on claims reported but not yet paid and for health care services rendered to enrollees but not yet reported to the Company as of the Statutory Statements of Assets and Liabilities, Capital and Surplus date. Such estimates are developed using actuarial principles and assumptions, which consider, among other things, historical and projected claim submission and processing payment patterns, medical cost trends, historical utilization of health care services, claim inventory levels, medical inflation, contract requirement changes in membership and product mix, seasonality and other relevant factors. The Company reflects changes in estimates in hospital and medical costs in the Statutory Statements of Revenue and Expenses in the period they are determined. Capitation costs, which are recorded in hospital and medical expenses in the Statutory Statements of Revenue and Expenses, represent contractual monthly fees paid to participating physicians and other medical providers for providing medical care, regardless of the medical services provided to the enrollee.

The Company uses the triangulation method to estimate reserves for claims incurred but not reported. The method of triangulation makes estimates of completion factors that are then applied to the total paid claims (net of coordination of benefits) to date for each incurred month. This provides an estimate of the total projected incurred claims and total amount outstanding or claims incurred but not reported (claims unpaid). For the most current dates of service where there is insufficient paid claim data to rely solely on the triangulation method, the Company examines cost and utilization trends as well as environmental factors, plan changes, provider contracts, changes in membership and/or benefits, and historical seasonal patterns to estimate the reserve required for these months.

Claims adjustment expenses, which include cost containment expenses, represent the costs incurred related to the claim settlement process such as costs to record, process and adjust claims. These expenses are included in the Company's management agreement with an affiliate described in Note 10.

(12) The Company did not modify its capitalization policy from the prior period.

(13) Pharmaceutical rebate receivables

The Company estimates pharmaceutical rebate receivables based upon historical payment trends, actual utilization and other variables. Pharmaceutical rebates for a quarter are billed to the vendor within one month of the completion of the quarter with any adjustment to previously recorded amounts reflected at the time of billing. The Company reports pharmaceutical rebate receivables as health care receivables. Pharmacy rebate receivables not in accordance with SSAP No. 84 – *Health Care and Government Insured Plan Receivables* or are over 90 days past due are nonadmitted. All rebates are processed and settled with an affiliated entity. The pharmaceutical rebate receivables are more fully discussed in Note 28.

(14) Premiums and amounts due and unpaid

Premium revenue for prepaid health or dental care products is recognized as income in the month in which enrollees are entitled to health or dental care services. Premiums collected before the effective period are reported as premiums received in advance. Premiums related to unexpired contractual coverage periods are reported as unearned premiums in the Statutory Statements of Liabilities, Capital and Surplus (refer to discussion of aggregate health policy reserves and related expenses above).

Nonadmitted amounts consist of all premiums due and unpaid greater than 90 days past due, with the exception of amounts due under government insured plans, which may be admitted assets under certain circumstances. In addition, for any customer for which the premiums due and unpaid greater than 90 days past due is more than a de minimus portion of the entire balance of premiums due and unpaid for that customer, the entire balance of premiums due and unpaid for that customer is nonadmitted. Management also performs a specific review of accounts and based on the results of the review, additional amounts may be nonadmitted. Uncollectible amounts are generally written-off and charged to revenue in the period in which the customer reconciliations are completed and agreed to by the customer (retroactivity) or when the account is determined to be uncollectible by the Company.

(15) Aggregate health claim reserves

The reserve for future contingent benefits includes the estimated cost of services that will continue to be incurred after the Statutory Statements of Liabilities, Capital and Surplus date if the Company is obligated to pay for such services in accordance with contract provisions or regulatory requirements. These balances are recorded in aggregate health claim reserves in the Statutory Statements of Liabilities, Capital and Surplus and are estimated using a percentage of current hospital and medical costs, which is based on the Company's historical cost experience.

(16) Investment income due and accrued

Accrued investment income consists primarily of interest. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date. Due and accrued income is not recorded on: (a) bonds in default; and (b) bonds delinquent more than 90 days or where collection of interest is improbable. At December 31, 2017 and 2016, the Company did not have any nonadmitted investment income due and accrued.

(17) Covered and uncovered expenses and related liabilities

Covered expenses and related liabilities represent costs for health care expenses for which a member is not responsible in the event of the insolvency of the Company. Uncovered expenses and related liabilities represent costs to the Company for health care services that are the obligation of the Company and for which a member may also be liable in the event of the Company's insolvency.

(18) Fees Paid to the Federal Government by Health Insurers

SSAP No. 106 – *Affordable Care Act Section 9010 Assessment* ("SSAP No. 106") required (1) that the health insurer fee be recognized in full on January 1 of the fee year (the calendar year in which the assessment must be paid to the federal government), in the operating expense category of insurance taxes, licenses and fees, excluding federal income taxes and (2) that in each data year preceding a fee year a reporting entity pro-ratably accrue by reclassifying from unassigned funds (surplus) to aggregate write-ins for special surplus funds an amount equal to its estimated subsequent fee year assessment. This reclassification has no impact on total capital and surplus and is reversed in full on January 1 of the fee year. See Note 22 for disclosure of all amounts related to the health insurer fee for the Company.

(19) Accounting for the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010's (collectively, "Health Care Reform") Reinsurance, Risk Adjustment and Risk Corridor (the "3Rs") pursuant to SSAP No. 107 and INT 15-01: ACA Risk Corridors Collectability ("INT 15-01")

Reinsurance

Health Care Reform established a temporary reinsurance program that expired at the end of 2016. Under this program, all issuers of major medical commercial insurance products and self-insured plan sponsors were required to contribute funding in amounts set by the U.S. Department of Health and Human Services ("HHS"). A portion of the funds collected were utilized to reimburse issuers' high claims costs incurred for qualified individual members. The expense related to this required funding was reflected in insurance, taxes, licenses and fees for all of the Company's insurance products with the exception of products associated with qualified individual members; this expense for qualified individual members was reflected as a reduction of premium revenue. When annual claim costs incurred by the Company's qualified individual members exceeded a specified attachment point, the Company was entitled to certain reimbursements from this program. The Company recorded amounts recoverable for claims paid and unpaid and ceded claim benefit recoveries to reflect its estimate of these recoveries.

Risk Adjustment

Health Care Reform established a permanent risk adjustment program to transfer funds from qualified individual and small group insurance plans with below average risk scores to plans with above average risk scores. Based on the risk of the Company's qualified plan members relative to the average risk of members of other qualified plans in comparable markets, the Company estimates its ultimate risk adjustment receivable or payable for the current calendar year and reflects the impact as an adjustment to its premium revenue.

Risk Corridor

Health Care Reform established a temporary risk sharing program that expired at the end of 2016 for qualified individual and small group insurance plans. Under this program the Company made (or received) a payment to (or from) HHS based on the ratio of allowable costs to target costs (as defined by Health Care Reform). The Company recorded a risk corridor receivable or payable as an adjustment to premium revenue based on the Company's estimate of the ultimate risk sharing amount for the current calendar year. In October 2015, HHS announced that 2014 Health Care Reform risk corridor receivables would be funded at 12.6% to the extent HHS fully collected risk corridor payables. In November 2015, INT 15-01 was issued as guidance to address the accounting for risk corridor receivables. In conjunction with this guidance, the Company recorded a risk corridor receivable that coincided with the portion of the 2014 Health Care Reform risk corridor receivables that were considered collectible. The Company did not record any risk corridor receivables for the 2016 and 2015 program years or any amount in excess of HHS's announced pro-rated funding amount for the 2014 program year because payments from HHS are uncertain.

The Company expects to perform an annual final reconciliation and settlement with HHS of the 3Rs in each subsequent year. See Note 24.E. for disclosure of amounts related to the 3Rs for the Company for the periods ending December 31, 2017 and 2016.

(20) Federal and state income and premium taxes

The Company is included in the consolidated federal income tax return of its parent company, Aetna and Aetna's other wholly-owned subsidiaries pursuant to the terms of a tax sharing agreement. In accordance with a written tax sharing agreement with an affiliate, the Company's current federal and state income tax provisions are generally computed as if the Company were filing a separate federal and state income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal and state income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal and state income taxes.

Income taxes are accounted for under the asset and liability method. Deferred income tax assets ("DTAs") and liabilities ("DTLs") represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in SSAP No. 101 - *Income Taxes* ("SSAP No. 101"). DTAs and DTLs are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

Pursuant to SSAP No. 101, gross DTAs are first reduced by a statutory valuation allowance adjustment to an amount that is more likely than not to be realized ("adjusted gross DTAs"). Adjusted gross DTAs are then admitted in an amount equal to the sum of paragraphs a. b. and c. below:

a. Federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with Internal Revenue Service ("IRS") tax loss carryback provisions.

b. The amount of adjusted gross DTAs, after the application of paragraph a. above, expected to be realized within the applicable period and that is no greater than the applicable percentage as determined using the applicable Realization Threshold Limitation Table. The applicable period refers to the number of years in which the DTA will reverse in the Company's tax return and the applicable percentage refers to the percentage of the Company's statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, electronic data processing equipment and operating system software and any net positive goodwill ("Stat Cap ExDTA").

   The Realization Threshold Limitation Tables allow DTAs to be admitted based upon either realization within 3 years and 15% percent of Stat Cap ExDTA, 1 year and 10% of Stat Cap ExDTA, or no DTA admitted pursuant to this paragraph b. In general, the Realization Threshold

Limitation Tables allow the Company to admit more DTAs if total DTAs as reported by the Company are a smaller percentage of statutory capital and surplus.

c. The amount of gross DTAs, after the application of paragraphs a. and b. above, can be offset against existing gross DTLs. In applying this offset, the Company considers the character (i.e. ordinary versus capital) of the DTAs and DTLs such that offsetting would be permitted in the tax return under existing enacted federal income tax laws and regulations and the reversal patterns of temporary differences.

Changes in DTAs and DTLs are recognized as a separate component of gains and losses in surplus ("Change in net deferred income tax") except to the extent allocated to changes in unrealized gains and losses. Changes in DTAs and DTLs allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as "Change in net unrealized capital gains (losses)", also a separate component of gains and losses in surplus.

The Company is subject to state income taxes in various states. State income tax expense is recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. For the years ended December 31, 2017 and 2016, the Company incurred state income tax expenses of $153,303 and $320,672, respectively. The Company's state income tax payables of $521,670 and $378,367 at December 31, 2017 and 2016, respectively, was included in general expenses due or accrued in the Statutory Statements of Liabilities, Capital and Surplus. The Company's state income tax receivables of $0 and $0 at December 31, 2017 and 2016, respectively, were included as an aggregate write-in in the Statutory Statement of Assets.

The Company is subject to premium taxes in various states. These tax expenses are recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. The expenses for these taxes were $546,299 and $4,103,730 for the years ended December 31, 2017 and 2016, respectively. The Company's premium tax payable of $336,555 and $2,142,578 at December 31, 2017 and 2016, respectively, are included in general expenses due and accrued in the Statutory Statements of Liabilities, Capital and Surplus. The Company had no prepaid premium taxes at December 31, 2017 and 2016, respectively, which were included as a write-in in the Statutory Statements of Assets.

(21) Reinsurance

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results and to help balance its risks and capital by reinsuring certain levels of risk with other insurance enterprises. The reinsurance coverage does not relieve the Company of its primary obligations. Reinsurance premiums and reserves related to reinsured business are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums ceded for medical losses and the related unpaid reserves have been reported as reductions of these items. The reinsurance agreements are more fully discussed in Notes 10 and 23.

D. Going concern

As of March 1, 2018, management evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern and management has determined that it is not probable that the Company will be unable to meet its obligations as they become due within one year after the financial statements are available to be issued. Management will continuously evaluate the Company's ability to continue as a going concern and will take appropriate action and will make appropriate disclosures if there is any change in any condition or events that would raise substantial doubt about the Company's ability to continue as a going concern.

2. Accounting changes and corrections of errors

The Company did not have any accounting changes or correction of errors in the years ended December 31, 2017 and 2016.

3. Business combinations and goodwill

The Company was not a part of any business combinations that involved the statutory purchase method, a statutory merger, an assumption reinsurance, or an impairment loss in the years ending December 31, 2017 .

Effective June 1, 2016, the Company entered into a Sale and Purchase Agreement with Coventry Health Care of Missouri, Inc. ("CHC-MO"), indirectly a wholly-owned subsidiary of Aetna, whereby, the Company assigned, sold, transferred and set over to CHC-MO all of their assets and liabilities arising out of or relating to the Company's operation of Medicare Advantage plans, whether arising before, on or after the date of the agreement.

4. Discontinued operations

The Company did not have any discontinued operations in the years ending December 31, 2017 and 2016.

5. Investments

A. The Company did not have any mortgage loans, including Mezzanine Real Estate Loans, at December 31, 2017 or 2016.

B. The Company did not have any debt restructuring in the years ending December 31, 2017 and 2016.

C. The Company did not have any reverse mortgages at December 31, 2017 or 2016.

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from industry market sources.

(2) The Company had no OTTI losses during 2017 on loan-backed and structured securities in which the Company had the (1) intent to sell, (2) did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis or (3) present value of cash flows expected to be collected is less than the amortized cost basis of the securities in accordance with SSAP No. 43R - *Loan-Backed and Structured Securities* ("SSAP No. 43R").

(3) The Company had no recognized OTTI on loan-backed and structured securities currently held, in which the present value of cash flows expected to be collected is less than the amortized cost basis, at the reporting date December 31, 2017.

(4) The Company's unrealized loss position on loan-backed and structured securities held by the Company at December 31, 2017 is as follows:

a. The aggregate amount of unrealized losses:

1.	Less than 12 months	$0
2.	12 months or longer	$8,625

b. The aggregate related fair value of securities with unrealized losses:

1.	Less than 12 months	$0
2.	12 months or longer	$1,002.557

(5) The Company has reviewed the loan-backed and structured securities in accordance with SSAP No. 43R in the table above and has concluded that these are performing assets generating investment income to support the needs of the business. Furthermore, the Company has no intention to sell the securities at December 31, 2017 before their cost can be recovered and does have the intent and ability to retain the securities for the time sufficient to recover the amortized cost basis; therefore, no OTTI write-down to fair value was determined to have occurred on these securities.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) The Company did not have any repurchase agreements or loaned securities transactions at December 31, 2017.

(2) The Company did not pledge any of its assets as collateral, which are classified as securities pledged to creditors as of December 31, 2017.

(3) Neither the Company nor its agent has accepted collateral that is permitted by contract or custom to sell or repledge as of December 31, 2017.

(4) The Company did not have securities lending transactions administered by an affiliated agent which is "one line" reported at December 31, 2017.

(5) The Company did not have any repurchase agreements, loaned securities or dollar repurchase agreements at December 31, 2017.

(6) The Company has not accepted collateral that is not permitted by contract or custom to sell or repledge as of December 31, 2017.

(7) The Company did not have any collateral for transactions that extend beyond one year from the reporting date.

F. The Company did not have any repurchase agreements transactions accounted for as secured borrowing at December 31, 2017 or 2016.

G. The Company did not have any reverse repurchase agreements transactions accounted for as secured at December 31, 2017 or 2016.

H. The Company did not have any repurchase agreements transactions accounted for as a sale at December 31, 2017 or 2016.

I. The Company did not have any reverse repurchase agreements transactions accounted for as a sale at December 31, 2017 or 2016.

J. The Company did not have any real estate at December 31, 2017 or 2016.

K. The Company did not have any low-income housing tax credits at December 31, 2017.

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown			0		0	0.000	0.000
b. Collateral held under security lending agreements			0		0	0.000	0.000
c. Subject to repurchase agreements			0		0	0.000	0.000
d. Subject to reverse repurchase agreements			0		0	0.000	0.000
e. Subject to dollar repurchase agreements			0		0	0.000	0.000
f. Subject to dollar reverse repurchase agreements			0		0	0.000	0.000
g. Placed under option contracts			0		0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock			0		0	0.000	0.000
i. FHLB capital stock			0		0	0.000	0.000
j. On deposit with states	1,806,331	1,797,533	8,798		1,806,331	2.781	2.918
k. On deposit with other regulatory bodies			0		0	0.000	0.000
l. Pledged collateral to FHLB (including assets backing funding agreements)			0		0	0.000	0.000
m. Pledged as collateral not captured in other categories			0		0	0.000	0.000
n. Other restricted assets			0		0	0.000	0.000
o. Total Restricted Assets	1,806,331	1,797,533	8,798	0	1,806,331	2.781	2.918

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

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

(2) The Company did not have any assets pledged as collateral not captured in other categories at December 31, 2017.

(3) The Company did not have any other restricted assets at December 31, 2017.

(4) The Company did not have any collateral received and reflected within its financial statements at December 31, 2017.

M. The Company did not have any working capital finance investments at December 31, 2017.

N. The Company did not have any offsetting and netting of financial assets or liabilities at December 31, 2017.

O. The Company did not have any structured notes at December 31, 2017.

P The Company did not have any 5* securities at December 31, 2017.

Q The Company did not have any short sales at December 31, 2017.

R

Prepayment Penalty and Acceleration Fees

	General Account
1. Number of CUSIPs	11
2. Aggregate Amount of Investment Income	134,476

6. Joint ventures, partnerships, and limited liability companies

A. The Company did not have any joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets at December 31, 2017 or 2016.

B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies at December 31, 2017 or 2016.

7. Investment income

A. There was no investment income due and accrued excluded from surplus at December 31, 2017 or 2016, except in bonds where collection of interest was uncertain.

B. There was no amount excluded at December 31, 2017 or 2016.

8. Derivative instruments

The Company did not have any derivative instruments at December 31, 2017 or 2016.

9. Income taxes

A. The components of the net deferred tax asset/(liability) at the end of current period are as follows:

1.

	As of End of Current Period			12/31/2016			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 Assets	8,448,433	71,944	8,520,377	16,279,192	124,327	16,403,519	(7,830,759)	(52,383)	(7,883,142)
(b) Statutory Valuation Allowance Adjustment	5,025,074		5,025,074	2,299,622	0	2,299,622	2,725,452	0	2,725,452
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	3,423,359	71,944	3,495,303	13,979,570	124,327	14,103,897	(10,556,211)	(52,383)	(10,608,594)
(d) Deferred Tax Assets Nonadmitted	0	0	0	7,862,153	0	7,862,153	(7,862,153)	0	(7,862,153)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	3,423,359	71,944	3,495,303	6,117,417	124,327	6,241,744	(2,694,058)	(52,383)	(2,746,441)
(f) Deferred Tax Liabilities	0	154,543	154,543	0	284,645	284,645	0	(130,102)	(130,102)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	3,423,359	(82,599)	3,340,760	6,117,417	(160,318)	5,957,099	(2,694,058)	77,719	(2,616,339)

2.

	As of End of Current Period			12/31/2016			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
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	1,041,095	46,320	1,087,415	4,405,152	68,136	4,473,288	(3,364,057)	(21,816)	(3,385,873)
(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)	2,253,344	0	2,253,344	1,483,811	0	1,483,811	769,533	0	769,533
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	2,253,344	0	2,253,344	1,483,811	0	1,483,811	769,533	0	769,533
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	7,272,337	XXX	XXX	10,179,237	XXX	XXX	(2,906,900)
(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.	128,920	25,624	154,544	228,454	56,191	284,645	(99,534)	(30,567)	(130,101)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	3,423,359	71,944	3,495,303	6,117,417	124,327	6,241,744	(2,694,058)	(52,383)	(2,746,441)

3.

	2017	2016
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	5,620.000	577.000
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	48,482,235	67,861,583

4.

	As of End of Current Period		12/31/2016		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col. 1 - 3) Ordinary	(6) (Col. 2 - 4) Capital
Impact of Tax Planning Strategies:						
(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)	3,423,359	71,944	13,979,570	124,327	(10,556,211)	(52,383)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	64.000	0.000	0.000	0.000	64.000	0.000
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	3,423,359	71,944	6,117,417	124,327	(2,694,058)	(52,383)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	64.000	0.000	0.000	0.000	64.000	0.000

b. Do the Company's tax-planning strategies include the use of reinsurance? Yes [ ] No [X]

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

1. Current Income Tax	(1) As of End of Current Period	(2) 12/31/2016	(3) (Col. 1 - 2) Change
(a) Federal	(326,510)	7,167,698	(7,494,208)
(b) Foreign		0	0
(c) Subtotal	(326,510)	7,167,698	(7,494,208)
(d) Federal income tax on net capital gains	50,186	269,242	(219,056)
(e) Utilization of capital loss carry-forwards			0
(f) Other			0
(g) Federal and foreign income taxes incurred	(276,324)	7,436,940	(7,713,264)
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	1,805	18,314	(16,509)
(2) Unearned premium reserve	4,851	119,538	(114,687)
(3) Policyholder reserves			0
(4) Investments			0
(5) Deferred acquisition costs			0
(6) Policyholder dividends accrual			0
(7) Fixed Assets	361,007	537,952	(176,945)
(8) Compensation and benefits accrual			0
(9) Pension accrual			0
(10) Receivables - nonadmitted	10,818	368,794	(357,976)
(11) Net operating loss carry-forward	1,898,527	3,778,651	(1,880,124)
(12) Tax credit carry-forward			0
(13) Other (including items <5% of total ordinary tax assets)	6,171,425	11,455,943	(5,284,518)
(99) Subtotal	8,448,433	16,279,192	(7,830,759)
(b) Statutory valuation allowance adjustment	5,025,074	2,299,622	2,725,452
(c) Nonadmitted		7,862,153	(7,862,153)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	3,423,359	6,117,417	(2,694,058)
(e) Capital:			
(1) Investments	71,944	124,327	(52,383)
(2) Net capital loss carry-forward			0
(3) Real estate			0
(4) Other (including items <5% of total ordinary tax assets)			0
(99) Subtotal	71,944	124,327	(52,383)
(f) Statutory valuation allowance adjustment			0
(g) Nonadmitted		0	0
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	71,944	124,327	(52,383)
(i) Admitted deferred tax assets (2d + 2h)	3,495,303	6,241,744	(2,746,441)
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments			0
(2) Fixed assets			0
(3) Deferred and uncollected premium			0
(4) Policyholder reserves			0
(5) Other (including items <5% of total ordinary tax liabilities)			0
(99) Subtotal	0	0	0
(b) Capital:			
(1) Investments	154,543	284,645	(130,102)
(2) Real estate			0
(3) Other (including items <5% of total capital tax liabilities)			0
(99) Subtotal	154,543	284,645	(130,102)
(c) Deferred tax liabilities (3a99 + 3b99)	154,543	284,645	(130,102)
4. Net deferred tax assets/liabilities (2i - 3c)	3,340,760	5,957,099	(2,616,339)

The change in net deferred income taxes is comprised of the following:

	December 31, 2017	December 31, 2016	Change
Total DTAs	$3,495,303	$14,103,897	$(10,608,594
Total DTLs	(154,543)	(284,645)	130,102
Net DTAs/(DTLs)	3,340,760	13,819,252	(10,478,492)
Tax effect of unrealized gains (losses)			(33,862)
Change in net deferred income tax			(10,512,354)

The valuation allowance adjustment to gross DTAs was $5,025,074 and $2,299,622 for December 31, 2017 and 2016, respectively. The Company bases its estimates of the future realization of DTAs primarily on historic taxable income and existing DTLs.

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

	December 31, 2017	Effective tax rate	December 31, 2016	Effective tax rate
Provision computed at statutory rate	1,639,278	35.0%	11,596,123	35.0%
Health Insurer Fee	0	0.0%	2,420,370	7.3%
Transfer pricing adjustment	(161,485)	-3.4%	(2,592,958)	-7.8%
Tax exempt interest	(261,809)	-5.6%	(435,028)	-1.3%
Change in nonadmitted assets	350,764	7.5%	170,636	0.5%
Prior year true-up	352,995	7.5%	(205,219)	-0.6%
Change in valuation allowance adjustment	6,075,501	129.7%	0	0.0%
Impact on Deferred Tax for Enacted Rate Change	2,251,031	48.1%	0	0.0%
Other	(10,245)	-0.3%	180,508	0.5%
Total	10,236,030	218.5%	11,134,432	33.6%
Federal and foreign income tax expense incurred	(276,324)	-5.9%	7,436,940	22.4%
Change in net deferred income taxes	10,512,354	224.4%	3,697,492	11.2%
Total statutory income taxes	10,236,030	218.5%	11,134,432	33.6%

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the “TCJA”) was enacted, which among other items, reduces the federal corporate tax rate to 21% effective January 1, 2018. We re-measured our deferred income taxes for the year-ended December 31, 2017 and recognized incremental tax expense(benefit) related to the change in our net deferred tax asset/liability

The transfer pricing adjustment allows taxpayers to apply different methods to price current period intercompany services at arm’s length prices as compared to what would be charged to an unrelated entity, which results in a permanent deduction for tax reporting purposes.

E.

1. At December 31, 2017 and 2016, the Company had no net capital loss or net operating loss carryforwards for tax purposes.

2. The amount of federal income taxes incurred that are available for recoupment in the event of future net losses are:

Year	Ordinary	Capital	Total
2017	-	50,186	50,186
2016	7,539,427	271,760	7,811,187
2015	N/A	-	-
Total	7,539,427	321,946	7,861,373

3. The Company did not report any deposits as admitted assets under Internal Revenue Code Section 6603 at December 31, 2017 and 2016.

F.

1. At December 31, 2017, the Company's Federal Income Tax Return was consolidated with the following entities:

Aetna Inc.
@ Credentials Inc.
Active Health Management Inc.
Adminco, Inc.
Administrative Enterprises, Inc.
AE Fourteen Incorporated
Aetna ACO Holdings, Inc.
Aetna Better Health Inc. (Connecticut)
Aetna Better Health Inc. (Georgia)
Aetna Better Health Inc. (Illinois)
Aetna Better Health Inc. (New Jersey)
Aetna Better Health Inc. (New York)
Aetna Better Health Inc. (Ohio)
Aetna Better Health Inc. (Pennsylvania)
Aetna Better Health Inc. (Tennessee)
American Health Holding, Inc.
AUSHC Holdings, Inc.
Broadspire National Services, Inc.
bswift, LLC
Carefree Insurance Services, Inc.
Claims Administration Corporation
Cofinity, Inc.
Continental Life Insurance Company of Brentwood, Tennessee
Corporate Benefit Strategies, Inc.
Coventry Consumer Advantage, Inc.
Coventry Health and Life Insurance Company
Coventry Health Care National Accounts, Inc.
Coventry Health Care National Network, Inc.
Coventry Health Care of Florida, Inc.

Aetna Better Health of California Inc.
Aetna Better Health of Iowa Inc.
Aetna Better Health of Kansas, Inc.
Aetna Better Health of Kentucky Insurance Company
Aetna Better Health of Michigan, Inc.
Aetna Better Health of Missouri LLC
Aetna Better Health of Nevada Inc.
Aetna Better Health of North Carolina, Inc.
Aetna Better Health of Oklahoma Inc.
Aetna Better Health of Texas, Inc.
Aetna Better Health of Washington, Inc.
Aetna Better Health, Inc. (Louisiana)
Aetna Dental Inc. (New Jersey)
Aetna Dental Inc. (Texas)
Aetna Dental of California Inc.
Aetna Florida Inc. (fka Aetna Better Health Inc. (Florida))
Aetna Health and Life Insurance Company
Aetna Health Inc. (Connecticut)
Aetna Health Inc. (Florida)
Aetna Health Inc. (Georgia)
Aetna Health Inc. (Louisiana)
Aetna Health Inc. (Maine)
Aetna Health Inc. (Michigan)
Aetna Health Inc. (New Jersey)
Aetna Health Inc. (New York)
Aetna Health Inc. (Pennsylvania)
Aetna Health Inc. (Texas)
Aetna Health Insurance Company
Aetna Health Insurance Company of New York
Aetna Health of California, Inc.
Aetna Health of Iowa Inc. (fka Aetna Health Inc. (Iowa))
Aetna Health of Utah, Inc.
Aetna HealthAssurance Pennsylvania, Inc.
Aetna Insurance Company of Connecticut
Aetna Integrated Informatics, Inc.
Aetna International Inc.
Aetna Ireland Inc.
Aetna Life & Casualty (Bermuda) Ltd.
Aetna Life Assignment Company
Aetna Life Insurance Company
Aetna Risk Assurance Company of. Connecticut, Inc.
Aetna Student Health Agency Inc.
AHP Holdings, Inc.
Allviant Corporation
American Continental Insurance Company

Coventry Health Care of Illinois, Inc.
Coventry Health Care of Kansas, Inc.
Coventry Health Care of Missouri, Inc.
Coventry Health Care of Nebraska, Inc.
Coventry Health Care of Virginia, Inc.
Coventry Health Care of West Virginia, Inc.
Coventry Health Care Workers' Compensation, Inc.
Coventry Health Plan of Florida, Inc.
Coventry HealthCare Management Corporation
Coventry Prescription Management Services, Inc.
Coventry Rehabilitation Services, Inc.
Coventry Transplant Network, Inc.
Delaware Physicians Care, Incorporated
Echo Merger Sub, Inc.
First Health Group Corp.
First Health Life and Health Insurance Company
First Script Network Services, Inc.
Florida Health Plan Administrators, LLC
FOCUS Healthcare Management, Inc.
Group Dental Service of Maryland, Inc.
Group Dental Service, Inc.
Health and Human Resource Center, Inc.
Health Data & Management Solutions, Inc.
Health Re, Incorporated
HealthAssurance Pennsylvania, Inc.
Managed Care Coordinators, Inc.
Medicity Inc.
Mental Health Associates, Inc.
Mental Health Network of New York IPA, Inc.
Meritain Health, Inc.
MetraComp, Inc.
MHNet Life and Health Insurance Co.
MHNet of Florida, Inc.
Niagara Re, Inc.
PayFlex Holdings, Inc.
PayFlex Systems USA, Inc.
Performax, Inc.
Precision Benefit Services, Inc.
Prime Net, Inc.
Prodigy Health Group, Inc.
Professional Risk Management, Inc.
Resources for Living, LLC
Schaller Anderson Medical Administrators, Incorporated
Strategic Resource Company
The Vasquez Group Inc.
U.S. Health Care Properties, Inc.
Work and Family Benefits, Inc.

2. As explained in Note 1, the Company participates in a tax sharing agreement with its parent and affiliates.

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

10. <u>Information concerning Parent, subsidiaries, affiliates, and other related parties</u>

A., B. and C.

The Company paid $15,000,000 and $11,000,000 as extraordinary dividends to its parent on June 29, and September 29, 2017, respectively. The Company paid $25,000,000 and $20,000,000 as extraordinary dividends to its parent on December 22, and June 29, 2016, respectively.

D. Amounts due to and due from affiliates shown in the accompanying Statutory Statements of Assets, Liabilities, Capital and Surplus include the Company's net receipts and disbursements processed by affiliates and transactions related to its administrative services agreement with Aetna Health Management, LLC (“AHM”), indirectly a wholly-owned subsidiary of Aetna.
At December 31, 2017 and 2016, the Company had the following amounts due to and due from affiliates, which exclude amounts related to pharmacy rebate transactions as discussed more fully in Note 28 and the Company's reinsurance agreement

	December 31, 2017		December 31, 2016	
Amounts due to affiliates				
Coventry Health and Life Insurance Co,	$	3,767,178	$	5,025,196
Coventry Prescription Management Services, Inc	$	-	$	36,543
Group Dental Services Inc	$	1,351	$	16,258
	$	3,768,529	$	5,077,997
Amounts due from affiliates				
Aetna Health Management, LLC	$	1,514,261	$	606,095
Coventry Prescription Management Services, Inc	$	105,441	$	-
Coventry Health Care Workers Compensation	$		$	2,033
	$	1,619,702	$	608,128

The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

E. At December 31, 2017, the Company has a guarantor agreement with Aetna. The agreement provides that in the event of the Company's insolvency, Aetna will pay all expenses and claims incurred by the Company during insolvency pursuant to the obligation with employer groups and subscribers until the end of the subscription contract period for which premiums have been received.

F. As of and for the years ended December 31, 2017 and 2016, the Company had the following significant transactions with affiliates:

The Company and AHM are parties to an administrative services agreement, under which AHM provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company remits a percentage of its earned commercial, Medicaid and Medicare premium revenue, as applicable, to AHM as a fee, subject to an annual true-up mechanism as defined in the agreement. Under the agreement, this true-up is due to be settled with the affiliate by April 15th of the following contract year (which is January 1 to December 31 annually). The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter. For these services, the Company was charged the following:

	2016	2015
Administrative service fee	$3,678,068	$44,042,605
Current year estimated accrued true-up	(433,228)	-
Total administrative service fee	$3,244,840_	$44,042,605_

These agreements also provide for interest on all intercompany balances.. Interest incurred on amounts due to affiliates was $10,951 in 2017 and $75,061 in 2016.

The Company is a party to an agreement which enables the Company to receive manufacturers' pharmacy rebates from AHM under which the Company remits a percentage of its earned pharmaceutical rebates to AHM as a fee. The Company earned pharmaceutical rebates of $583,105 and $6,008,103, which were recorded as a reduction of medical costs and administrative costs, in 2017 and 2016, respectively. The Company was charged $(162,379) and $600,811, which were recorded as administrative expenses, for these services in 2017 and 2016, respectively. At December 31, 2017 and 2016, the Company reported $0 and $686,900, respectively, as amounts due from AHM related to the pharmaceutical rebates which were reflected in health care and other amounts receivable. The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

The amounts reported on the Underwriting and Investment Exhibit, Part 3 represent the expenses incurred under the terms of the administrative agreement, allocated to the Company in accordance SSAP No. 70 - *Allocation of Expenses* ("SSAP No. 70"). SSAP No. 70 states "shared expenses, including expenses under the terms of a management contract, shall be apportioned to the entities incurring the expense as if the expense had been paid solely by the incurring entity. The apportionment shall be completed based upon specific identification to the entity incurring the expense. Where specific identification is not feasible, apportionment shall be based upon pertinent factors or ratios." The Company allocates these expenses based upon a percentage calculated using actual general and administrative expenses incurred by AHM.

The Company's commercial business is a party to an agreement with Coventry Prescription Management Services, Inc. ("CPMS") where CPMS pays pharmacy claims on the Company's behalf. The Company pays a monthly fee to CPMS for services provided during that month which is calculated using a PMPM administrative rate. The PMPM rate changes yearly and the agreements are approved each year by the Kansas Department. All payments by the Company to CPMS are reduced by a PMPM pharmacy rebate credit. The Company paid CPMS $2,310,411 and $12,416,732 in capitation fees for the years ended December 31, 2017 and 2016, respectively. CPMS paid the Company $265,257 and $1,284,889 in pharmacy rebates for the years ended December 31, 2017 and 2016, respectively.

MHNet Specialty Services, L.L.C. ("MHNet"), indirectly a wholly-owned subsidiary of Aetna, provides mental health services to the Company's members. The Company pays MHNet a monthly fee based on a PMPM capitation rate. The Company was charged $192,387 and $1,827,205 which were recorded as capitation fees, for these services in 2017 and 2016, respectively.

G. All outstanding shares of the Company are owned by Aetna Health Holdings, LLC, whose ultimate parent is Aetna.

H. At December 31, 2017, the Company did not own shares of any upstream intermediate of Aetna.

I. At December 31, 2017, the Company did not hold any investments in any subsidiary, controlled or affiliated ("SCA") entity that exceeded 10% of the Company's admitted assets.

J. At December 31, 2017, the Company did not hold any investments in any impaired SCA entity.

K. At December 31, 2017, the Company did not hold any investments in any foreign insurance subsidiaries.

L. At December 31, 2016, the Company did not hold any investments in a downstream noninsurance holding company.

M and N.

At December 31, 2016, the Company did not have any SCA investments.

11. Debt

A. The Company did not have any items related to debt, including capital notes at December 31, 2017.

B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2017.

12. Retirement plans, deferred compensation, postemployment benefits and compensated absences and other postretirement benefit plans

The Company did not have a retirement plan, deferred compensation plan, or other postretirement benefit plan at December 31, 2017 or 2016.

13. Capital and surplus, shareholders' dividend restrictions and quasi-reorganizations

(1) The Company had 1,000 shares of common stock with a par value of $5 authorized, with 1,000 shares issued and outstanding at December 31, 2017 and 2016.

(2) The Company had no shares of preferred stock authorized and no shares issued and outstanding at December 31, 2017 and 2016.

(3) Dividend restrictions

Dividends on the Company's common capital stock are paid as declared by its Board of Directors, from earned surplus of the Company, not including surplus arising from the sale of stock. Generally, dividends may be paid on the Company's common capital stock without obtaining regulatory approval at an amount up to the greater of: a) the prior year net gain from operations, or b) ten percent of the prior year end capital and surplus. In addition, the minimum Risk Based Capital requirements of the NAIC and, if applicable, the Kansas Department of Insurance must be maintained.

(4) The Company paid $15,000,000 and $11,000,000 as extraordinary dividends to its parent on June 29 and September 29, 2017, respectively.

(5) Within the limitation of 3) above, there are no other restriction placed on the portion of Company profits that may be paid as ordinary dividends to its shareholder'

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus was being held at December 31, 2017 or 2016, except as noted in Note 21.

(7) Not applicable to the Company.

(8) The Company did not hold any stock for any special purposes at December 31, 2017 or 2016.

(9) Changes in the balances of special surplus funds from the prior year are due to the accrual of estimated ACA health insurer fees reclassified from unassigned funds or surplus to aggregate write-ins for special surplus funds as discussed more fully in Note 1.C and Note 22.

(10) At December 31, 2017 and 2016, there was $5,279 and $837,219, respectively, of unassigned funds that was represented or reduced by unrealized gains and losses.

(11) The Company has not issued any surplus notes or debentures or similar obligations at December 31, 2017 or 2016.

(12) The Company did not participate in any quasi-reorganizations during the statement year.

(13) The Company did not participate in any quasi-reorganizations in the past 10 years.

14. Liabilities, contingencies and assessments

A. The Company did not have any contingent commitments at December 31, 2017 or 2016.

B. Assessments

Guaranty fund assessments

Under guaranty fund laws existing in all states, insurers doing business in those states can be assessed (in most states up to prescribed limits) for certain obligations of insolvent insurance companies to policyholders and claimants. The life and health insurance guaranty associations in which Aetna and certain of its affiliates, including the Company (collectively, “we”, “our”, or “us”) participate that operate under these laws respond to insolvencies of long-term care insurers as well as health insurers. Our assessments generally are based on a formula relating to our health care premiums in the state compared to the premiums of other insurers. Certain states allow assessments to be recovered over time as offsets to premium taxes. Some states have similar laws relating to HMOs and/or other payers such as not-for-profit consumer-governed health plans established under Health Care Reform.

The Company had no assets recognized from paid and accrued premium tax offsets and policy surcharges at December 31, 2017 and 2016

C. The Company did not have any gain contingencies at December 31, 2017 or 2016.

D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2017 or 2016.

E. The Company did not have any joint and several liability arrangements at December 31, 2017 or 2016.

F. Various liabilities arise in the normal course of the Company's business and have been recorded. In the opinion of management, any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position. The Company, to the best of its knowledge, has no assets that it considers impaired that are not already recorded in the Company's books. The Company has coverage for certain litigation exposures ($10,000,000 per claim and in the aggregate including defense costs) through an unaffiliated insurance company.

15. Leases

The Company did not have any material lease obligations at December 31, 2017 or 2016.

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk

The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk at December 31, 2017 or 2016.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities

A. Transfers of receivables reported as sales

(1) The Company did not have any transfers of receivables as sales for the years ending December 31, 2017 and 2016.

B. Transfer and servicing of financial assets

(1) The Company's policy for requiring collateral or other security for security lending transactions as required in SSAP No. 103R is discussed in Note 1. Excludes repurchase and reverse repurchase transactions as discussed in Notes 5.F. through 5.I. The Company did not have any loaned securities at December 31, 2017 and 2016.

(2) and (3)

The Company did not have any servicing assets or liabilities at December 31, 2017 or 2016.

(4) The Company did not have any securitized financial assets at December 31, 2017 or 2016.

(5) The Company did not have any transfers of financial assets accounted for as secured borrowing at December 31, 2017 or 2016.

(6) The Company did not have any transfers of receivables with recourse at December 31, 2017 or 2016.

(7) The Company did not have any dollar repurchase or reverse repurchase agreements at December 31, 2017 or 2016.

C. Wash sales

(1) The Company did not have any wash sales for the years ending December 31, 2017 or 2016.

18. Gain or loss to the HMO from uninsured plans and the uninsured portion of partially insured plans

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2015:

		ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a.	Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 383,627	$........................	$ 383,627
b.	Total net other income or expenses (including interest paid to or received from plans)	$	$........................	$ 0
c.	Net gain or (loss) from operations	$ 383,627	$........................ 0	$ 383,627
d.	Total claim payment volume	$	$........................	$ 0

B. The Company did not serve as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2017.

C. The Company did not serve as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2016.

D. At December 31, 2017, the Company had reinsurance and low-income subsidy (cost sharing portion) receivables of $0 and The Centers for Medicare & Medicaid Services ("CMS") coverage gap discount and fee revenue payables of $0. At December 31, 2016, the Company had reinsurance and low-income subsidy (cost sharing portion) receivables of $2,789,094 and CMS coverage gap discount and fee revenue payables of $0_. These amounts are accounted for as amounts receivable relating to uninsured plans on the Statutory Statements of Assets and liability for amounts held under uninsured plans on the Statutory Statement of Liabilities, Capital and Surplus as per SSAP No. 47 - *Uninsured Plans*. These items relate to the Company's Medicare product offerings.

19. Direct premium written/produced by managing general agents/third party administrators

The Company did not have any material direct premiums written through/produced by managing general agents or third party administrators for the years ended December 31, 2017 and 2016.

20. Fair value measurements

A. and B.

The Company had no material assets or liabilities measured and reported at fair value at December 31, 2017 or 2016.

C. Certain of the Company's financial instruments are measured at fair value in the financial statements. The fair values of these instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by U.S. generally accepted accounting principles. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies a financial asset or liability for each level:

- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.
- **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
- **Level 3** – Developed from unobservable data, reflecting our own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, we use these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, we estimate fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, we determine fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

The carrying values and estimated fair values of the Company's financial instruments at December 31, 2017 and 2016 were as follows:

December 31, 2017

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Bonds, Short Term, and Cash Equivalent	53,222,572	51,215,751	..1,806,417	51,416,155	....	....	....
Preferred Stock	....	....	....	....	....	....	....
Common Stocks	. 1,177,243	. 1,177,243	..1,177,243	....	....	....	....

December 31, 2016

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Bonds, Short Term, and Cash Equivalent	73,563,602	71,739,995	1,809,095	71,754,507	....	....	....
Preferred Stock	....	....	....	....	....	....	....
Common Stocks	2,216,040	2,216,040	2,216,040	....	....	....	....

The valuation methods and assumptions used by the Company in estimating the fair value of debt securities are discussed in Note 1.

There were no material realized and unrealized capital gains, purchases, sales, settlements, or transfers into or out of the Company's Level 3 financial assets during 2017 or 2016. There were no transfers between the Company's Level 1 or 2 financial assets during 2017 or 2016.

In evaluating the Company's management of interest rate and liquidity risk and currency exposures, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

D. The Company did not have any financial instruments where it was not practicable to estimate the fair value.

21. Other items

A. Extraordinary items

The Company did not have any extraordinary items for the years ended December 31, 2017 and 2016.

B. Troubled debt restructuring: debtors

The Company did not have any troubled debt restructuring in the years ended December 31, 2017 and 2016.

C. Other disclosures and unusual items

(1) Minimum capital and surplus

Pursuant to the laws of the states in which the Company is licensed to do business, the Company is required to maintain a minimum surplus and capital stock as defined by the statutes and regulations of those states. At both December 31, 2016 and 2015, the Company was in compliance with the minimum surplus and capital stock requirements of the states in which it is licensed to do business.

The NAIC and the Kansas adopted risk-based capital ("RBC") standards for health organizations, including HMOs, that are designed to identify weakly capitalized companies by comparing each company's adjusted capital and surplus to its required capital and surplus (the "RBC Ratio"). The RBC Ratio is designed to reflect the risk profile of the company. Within certain ratio ranges, regulators have increasing authority to take action as the RBC Ratio decreases. There are four levels of regulatory action, ranging from requiring insurers to submit a comprehensive plan to the state insurance commissioner to requiring the state insurance commissioner to place the insurer under regulatory control. At December 31, 2017 and 2016, the Company had capital and surplus that exceeded the highest threshold specified by the RBC rules.

(2) Health Care Reform

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (as amended, collectively, "Health Care Reform" or "ACA"), has made broad-based changes to the U.S. health care system. On January 20, 2017, the President signed an executive order that gives the regulatory agencies that enforce the ACA the authority to interpret regulations issued under the ACA in a way that limits fiscal burdens on states and financial or regulatory burdens on individuals, providers, health insurers and others. The practical implications of that order are unclear, and the future of the ACA is uncertain. While we anticipate continued efforts in 2018 and beyond to modify, repeal or replace the ACA, the Company expects aspects of the ACA to continue to significantly impact the Company's business operations and operating results, including the Company's pricing, medical benefit ratios and the geographies in which the Company's products are available. Health Care Reform has presented the Company with business opportunities, but also with financial and regulatory challenges. Most of the ACA's key components were phased in during or prior to 2014, including Public Exchanges, required minimum MLRs in commercial and Medicare products, the individual coverage mandate, guaranteed issue, rating limits in individual and small group products, significant new industry-wide fees, assessments and taxes, enhanced premium rate review and disclosure processes, reduced Medicare Advantage payment rates to insurers, and linking Medicare Advantage payments to a plan's CMS quality performance ratings or "star ratings." The effects of these changes are reflected in the Company's operating results. If the ACA is not amended, repealed or replaced, certain of its components will continue to be phased in until 2022.

The Company expects to continue to dedicate significant resources and incur significant expenses during 2018 to comply with Health Care Reform as currently enacted and implement and comply with changes in Health Care Reform as well as state level health care reform. While most of the significant aspects of Health Care Reform became effective during or prior to 2014, parts of Health Care Reform continue to evolve through the promulgation of executive orders, regulations and guidance. Additional changes to Health Care Reform and those regulations and guidance at the federal and/or state level are likely, and those changes are likely to be significant. Growing state and federal budgetary pressures make it more likely that any changes, including changes at the state level in response to changes to, or repeal or replacement of, Health Care Reform and/or changes in the funding levels and/or payment mechanisms of federally supported benefit programs, will be adverse to us. Given the inherent difficulty of foreseeing the nature and scope of future changes to Health Care Reform and how states, businesses and individuals will respond to those changes, the Company cannot predict the impact to the Company of future changes to Health Care Reform. It is reasonably possible that repeal or replacement of or other changes to Health Care Reform and/or states' responses to such changes, in the aggregate, could have a significant adverse effect on the Company's business operations and financial results.

Potential repeal of Health Care Reform, ongoing legislative, regulatory and administrative policy changes to Health Care Reform, the results of congressional and state level elections, pending litigation challenging aspects of the law or funding for the law and federal budget negotiations continue to create uncertainty about the ultimate impact of Health Care Reform. Examples of recent administrative policy, legislative and regulatory changes include: the January 2018 suspension of the health insurer fee for 2019 and delay of the "Cadillac" tax on high-cost employer-sponsored health coverage until 2022; the December 2017 Tax Cuts and Jobs Act of 2017, which repealed Health Care Reform's individual mandate and related penalties; the January 20, 2017 and October 2017 executive orders relating to Health Care Reform; the federal government's October 12, 2017 curtailment of payments related to the Cost-Sharing Subsidy Program; the November 2016 HHS announcement that risk corridor collections for the 2015 program year would be applied first to amounts owed to plans for the 2014 program year; and the May 2016 final regulations relating to Health Care Reform's non-discrimination requirements. The pending litigation challenging Health Care Reform includes challenges by various states of the federal government's decision to curtail payments related to the Cost-Sharing Subsidy Program. The time frame for conclusion and final outcome and ultimate impact of this litigation are uncertain.

As described above, the availability of funding for Health Care Reform's temporary risk corridor program is an example of this uncertainty. The Company continues to believe that receipt of any risk corridor payment from HHS for the 2016 or 2015 program year and receipt of such payments in excess of the announced prorated amount for the 2014 program year are uncertain. At December 31, 2017, the Company had a no receivable for the remaining 2014 program year prorated amount that had not been collected from HHS and had no receivable for either of the 2015 or 2016 program years. 2016 was the last program year for Health Care Reform's risk corridor program. On-going uncertainty regarding the funding of Health Care Reform-related programs and subsidies can be expected to create additional instability in the marketplace.

In addition to efforts to amend, repeal or replace Health Care Reform and the related regulations, the federal and state governments also continue to enact and seriously consider many other broad-based legislative and regulatory proposals that have had a material impact on or could materially impact various aspects of the health care and related benefits system and the Company's business. The Company cannot predict whether pending or future federal or state legislation or court proceedings, including future U.S. Congressional appropriations, will change various aspects of the health care and related benefits system or Health Care Reform or the impact those changes will have on the Company's business operations or operating results, but the effects could be materially adverse.

In addition, Health Care Reform ties a portion of each Medicare Advantage plans' reimbursement to the achievement of favorable CMS quality performance measures ("star ratings"). Since 2015, only Medicare Advantage plans with an overall star rating of four or more stars (out of five stars) are eligible for a quality bonus in their basic premium rates. As a result, the Company's Medicare Advantage plans' operating results in 2018 and going forward will be significantly affected by their star ratings.

(3) Medicare

The Company's Medicare Advantage and Standalone Prescription Drug Plan ("PDP") products are heavily regulated by CMS. The regulations and contractual requirements applicable to the Company and other private participants in Medicare programs are complex, expensive to comply with and subject to change. For example, in the second quarter of 2014, CMS issued a final rule implementing the Health Care Reform requirements that Medicare Advantage and PDP plans report and refund to CMS overpayments that those plans receive from CMS. The precise interpretation, impact and legality of this rule are not clear and are subject to pending litigation. The Company has invested significant resources to comply with Medicare standards, and the Company's Medicare compliance efforts will continue to require significant resources. CMS may seek premium and other refunds, prohibit the Company from continuing to market and/or enroll members in or refuse to passively enroll members in one or more of the Company's Medicare or Medicare-Medicaid demonstration (historically known as "dual eligible") plans, exclude the Company from participating in one or more Medicare, dual eligible or dual eligible special needs plan programs and/or institute other sanctions and/or civil monetary penalties against the Company if the Company fails to comply with CMS regulations or the Company's Medicare contractual requirements.

(4) Federal Employees Health Benefits Program

The Company contracts with the OPM to provide managed health care services under the FEHB program in its service areas. These contracts with the OPM and applicable government regulations establish premium rating arrangements for this program. OPM regulations require that community-rated FEHB plans meet a FEHB program-specific MLR by plan code and market. Managing to these rules is complicated by the simultaneous application of the minimum MLR standards and associated premium rebate requirements of Health Care Reform. The OPM conducts periodic audits of its contractors to, among other things, verify that plans meet their applicable FEHB program-specific MLR and the premiums established under its insured contracts and costs allocated pursuant to its cost-based contracts are in compliance with the requirements of the applicable FEHB program. The OPM may seek premium refunds or institute other sanctions against the Company if the Company fails to comply with the FEHB program requirements.

D. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2017 or 2016.

E. The Company did not have any transferable and non-transferable state tax credits for the years ending December 31, 2017 or 2016.

F. The Company did not have any subprime mortgage related risk exposures at December 31, 2017 or 2016.

G. The Company did not have any retained assets at December 31, 2017 or 2016.

H. The Company did not have any insurance-linked securities ("ILS") contracts at December 31, 2017 or 2016.

22. Events subsequent

A. Type I - Recognized subsequent events

Subsequent events have been considered through February 27, 2018 for the statutory statement issued on March 1, 2018.

The Company had no known reportable recognized subsequent events.

B. Type II - Nonrecognized subsequent events

Subsequent events have been considered through February 27, 2018 for the statutory statement issued on March 1, 2018.

On January 1, 2018, the Company will be subject to an annual fee under Section 9010 of the Federal Affordable Care Act ("ACA"). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of 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 their portion of the annual health insurance industry fee to be payable on September 30, 2018 to be $383,000. This amount is reflected in special surplus. This assessment is expected to impact risk based capital ("RBC") by -2%. Reporting the ACA assessment as of December 31, 2017, would not have triggered an RBC action level.

In December 2015, the Consolidated Appropriation Act was enacted, which included a one year suspension of the annual fee for 2017. Accordingly, there was no annual health insurance industry fee payable on September 30, 2017 and there were no amounts reflected in the Company's aggregate write-ins for special surplus funds related to this payable at December 31, 2016 as a result. There was also no resulting impact to the Company's RBC to assess as of December 31, 2016 as a result of this suspension.

In January 2018, the annual fee was suspended for 2019.

Type II - Nonrecognized Subsequent Events:

		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		383,000	$
C. ACA fee assessment paid			$ 6,915,342
D. Premium written subject to ACA 9010 assessment		15,342,760	$
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)		51,822,995	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)		51,439,995	
G. Authorized Control Level (Five-Year Historical Line 15)		862,707	
H. Would reporting the ACA assessment as of Dec. 31, 2017 have triggered an RBC action level (YES/NO)?	NO		

23. Reinsurance

Effective April 1, 2016, the Company entered into a quota share reinsurance agreement with Fresenius Medical Care Reinsurance Company (Cayman) LTD ("Fresenius"), an affiliate of Fresenius Medical Care Holdings, Inc., covering Medicare Advantage Plans. Under this agreement, the Company will cede to Fresenius and Fresenius shall reinsure 100% of eligible expenses incurred per program participant per agreement year. The Company paid reinsurance premiums of $0 in 2017 and $207,688 in 2016 related to this agreement. The Company has not realized net reinsurance recoveries in 2017 and in 2016 related to this agreement. There are no Total funds withheld attributable to this agreement at December 31, 2017 and 2015, respectively, as reported in the Statutory Statements of Liabilities, Capital and Surplus.

Effective December 31, 2016, the Company entered into a Quota Share Agreement (the"Agreement") with Coventry Health Care of Missouri, Inc. ("CHC-MO"), indirectly a wholly-owned subsidiary of Aetna, whereby, Company assigned and transferred to the CHC-MO all of the assets and liabilities arising out of or relating to Company's operation of quota share Medicare Advantage plans under contract H2663, whether arising before, on or after the date of the Agreement. The purchase price was the difference between the value of the sum of the assets, $8,127,242, and the sum of the liabilities, $7,970,005 on the books of Company at the date the transfer was recorded.

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)
If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes (X) No ( )
If yes, give full details.

Fresenius is located in the Cayman Islands and is an affiliate of Fresenius Medicare Care Holdings, Inc. (not primarily engaged in the insurance business).

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 nonpayment of premium or other similar credit?
Yes (X) No ( )

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.
$____None_________.

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?
$_________________.

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

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 insurer 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.
$_____________________.

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes ( ) No (X)
If yes, what is the amount of reinsurance credit, whether an asset or a reduction of liability, taken for such new agreements or amendments? $_____N/A______.

B. The Company did not have uncollectible reinsurance at December 31, 2017.

C. The Company did not have any commutation of ceded reinsurance at December 31, 2017.

D. The Company's certified reinsurer's rating has not been downgraded or its status subject to revocation at December 31, 2017.

24. Retrospectively rated contracts and contracts subject to redetermination

A. Through annual contracts with CMS, the Company offers HMO plans for Medicare-eligible individuals through the Medicare Advantage program. Members typically receive enhanced benefits over standard Medicare fee-for-service coverage, including reduced cost-sharing for preventative care, vision and other non-Medicare services. Members also typically receive coverage for certain prescription drugs, usually subject to a deductible, co-insurance and/or co-payment. The revenues ultimately received by the Company for each member are based on that member’s health status and demographic characteristics, as determined via the CMS risk adjustment process, under which the Company regularly submits risk adjustment data to CMS. As such, at December 31, 2017 the Company records a receivable for future revenues that it expects to receive from CMS in the third quarter of 2018, after the final reconciliation of risk adjustment data for contract year 2017 is complete. The Company estimates this receivable by taking into account risk adjustment data for contract year 2017 submitted to CMS prior to December 31, 2018, as well as its estimate of the impact of risk adjustment data for contract year 2017 that will be submitted prior to the appropriate regulatory deadline in early 2018. These amounts are recognized in 2017 as premiums under contracts subject to redetermination. In addition, the Company's Medicare Advantage contracts are subject to retrospective rating provisions under which the Company and CMS share in amounts above and below agreed-upon target medical benefit ratios.

B. These accrued retrospective premiums, if any, are recorded through premiums and are estimated based on calculations that compare the Company's expected financial results for the contract against the appropriate medical benefit ratio target. The Company had net premiums written of $0 and $74,529,380 related to its agreements with CMS for the years ending December 31, 2017 and 2016, respectively, representing 0% for 2017 and 51.0% for 2016 of total premium revenue. The Company had net premiums receivable of $0 and $5,605,731 related to its agreements with CMS at December 31, 2017 and 2016, respectively, representing 0% for 2017 and 81.4% for 2016 of total premiums receivable.

C. Contracts subject to redetermination

The Company accrues amounts payable to or receivable from the federal government related to its contracts with the OPM to provide or arrange health services under the FEHB program for federal employees, annuitants and their dependents. These contracts with the OPM and applicable government regulations establish premium rating requirements for the FEHB program. At December 31, 2017 and 2016, the Company had premiums related to its contracts with the OPM of $0 and $502,204, respectively, representing 0% and 0.3% of the Company's total premiums at December 31, 2017 and 2016, respectively.

The OPM, through its Office of the Inspector General, conducts periodic audits of its contractors to, among other things, verify that the premiums charged to the OPM were established in compliance with the community rating and other requirements under the FEHB program. These audits often result in findings for which the Company establishes a specific reserve. For those years under contract which have not been audited by the OPM, the Company establishes a general audit liability which is the result of a historical study of average audit payments. In addition, for all years under contract, the Company annually performs rate reconciliations which may result in amounts owed to or receivable from the OPM.

Audit findings, historical study of audit payments, and rate reconciliations have resulted in reserves of $1,606,735 and $1,606,735, which were recorded as aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2017 and 2016, respectively.

The Company contracts with OPM to provide managed health care services under the FEHB program in their service areas. OPM regulations require that FEHB plans meet a FEHB program-specific MLR by plan code and market. The Company reported FEHB MLR reserves of $0 and $0 in aggregate policy reserves at December 31, 2017 and 2016, respectively.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual MLR were not met in the prior year. The Company's results for full-year 2017 and 2016 included an estimate of $639,362 and $2,110,931, respectively, of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus. The Company paid $2,137,986 of minimum MLR rebates in 2017 for the year 2016. The Company paid $0 of minimum MLR rebates in 2016 for the year 2015.

	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	0	0	2,110,931	(11,517,071)	(9,406,140)
(2) Medical Loss Ratio Rebates Paid	0	0	0	0	0
(3) Medical Loss Ratio Rebates Unpaid	0	0	2,110,931	0	2,110,931
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	0
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates Unpaid net of reinsurance	XXX	XXX	XXX	XXX	2,110,931
Current Reporting Year-to-Date					
(1) Medical Loss Ratio Rebates Incurred	0	0	666,417	0	666,417
(2) Medical Loss Ratio Rebates Paid	0	0	2,137,985	0	2,137,985
(3) Medical Loss Ratio Rebates Unpaid	0	0	639,362	0	639,362
(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	639,362

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? Yes [X] No [ ]

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

AMOUNT

a. Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment 96,259

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment .... (961)
3. Premium adjustments payable due to ACA Risk Adjustment ....

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment .... (970,406)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) .... (215)

b. Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance 89,089
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) ....
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance ....

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium ....
5. Ceded reinsurance premiums payable due to ACA Reinsurance ....
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance ....

Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance ....
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments .... (260,134)
9. ACA Reinsurance contributions – not reported as ceded premium ....

c. Temporary ACA Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors 99,048

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors 0

Operations (Revenue & Expense)

3. Effect of ACA Risk Corridors on net premium income (paid/received) .... (107,376)
4. Effect of ACA Risk Corridors on change in reserves for rate credits ....

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

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	23		6		17	0	0		A	17	0
2. Premium adjustments (payable)		3,796,294		2,922,130	0	874,164		(874,164)	B	0	0
3. Subtotal ACA Permanent Risk Adjustment Program	23	3,796,294	6	2,922,130	17	874,164	0	(874,164)		17	0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	978,617		1,149,662		(171,045)	0	260,134		C	89,089	0
2. Amounts recoverable for claims unpaid (contra liability)					0	0			D	0	0
3. Amounts receivable relating to uninsured plans					0	0			E	0	0
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		91,980		91,980	0	0			F	0	0
5. Ceded reinsurance premiums payable					0	0			G	0	0
6. Liability for amounts held under uninsured plans					0	0			H	0	0
7. Subtotal ACA	978,617	91,980	1,149,662	91,980	(171,045)	0	260,134	0		89,089	0

	1	2	3	4	5	6	7	8	Ref	9	10
Transitional Reinsurance Program ..											
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium ..	98,569		106,897		(8,328)	0	107,376		I	99,048	0
2. Reserve for rate credits or policy experience rating refunds					0	0			J	0	0
3. Subtotal ACA Risk Corridors Program ..	98,569	0	106,897	0	(8,328)	0	107,376	0		99,048	0
d. Total for ACA Risk Sharing Provisions	1,077,209	3,888,274	1,256,565	3,014,110	(179,356)	874,164	367,510	(874,164)		188,154	0

Explanations of Adjustments

A.

Due to updates to the data available to the Company to calculate the risk adjustment.

B.

Due to updates to the data available to the Company to calculate the risk adjustment.

C.

Due to additional claims run-out after the December 31, 2016 period.

D.

No Reins Liabilities; all in Receivable Position

E.

F.

G.

H.

I.

Due to updated data available to the Company to calculate the risk corridor payables. Also includes the impact of the adjustments to the reinsurance recoveries and risk adjustments.

J.

Due to updated data available to the Company to calculate the risk corridor payables. Also includes the impact of the adjustments to the reinsurance recoveries and risk adjustments.

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

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	98,569		106,897		(8,328)	0	107,376		A	99,048	0
2. Reserve for rate credits or policy experience rating refunds					0	0			B	0	0
b. 2015											
1. Accrued retrospective premium					0	0			C	0	0
2. Reserve for rate credits or policy experience rating refunds					0	0			D	0	0
c. 2016											
1. Accrued retrospective premium					0	0			E	0	0
2. Reserve for rate credits or policy experience rating refunds					0	0			F	0	0
d. Total for Risk Corridors	98,569	0	106,897	0	(8,328)	0	107,376	0		99,048	0

Explanations of Adjustments

A.

B.

C.

D.

E.

F.

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date

	Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted Amount	6 Net Admitted Asset (4 - 5)
a.	2014	10,760,562	8,953,679	1,707,835	99,048		99,048
b.	2015	2,312,994	2,312,994		0		0
c.	2016				0		0
d.	Total (a + b + c)	13,073,556	11,266,673	1,707,835	99,048	0	99,048

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

25. Change in incurred claims and claims adjustment expense

The following table shows the components of the change in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves for the years ended December 31, 2017 and 2016.

	2017	2016
Balance, January 1	6,775,857	43,712,519
Health care receivable	(686,900)	-
Balance, January 1, net of health care receivable	6,088,957	43,712,519
Incurred related to:		
Current year	13,619,118	318,965,496
Prior years	(4,170,563)	(20,694,795)
Total incurred	9,448,555	298,270,701
Paid related to:		
Current year	12,667,372	313,867,470
Prior years	2,366,746	22,026,796
Total paid	15,034,118	335,894,266
Balance, December 31, net of health care receivable	1,190,294	6,088,957
Health care receivable		686,900
	1,190,294	6,775,857
Balance, December 31		

In 2017, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years' decreased by $4,170,563 from $6,775,857 in 2016 to $2,605,294 in 2017. In 2016, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years' decreased by $20,694,795 from $43,712,519 in 2015 to $23,017,724 in 2016. The lower than anticipated health care cost trend rates observed in 2016 and 2016 for claims incurred in 2016 and 2015, respectively, were due to moderating outpatient and physician trends and faster than expected claim payment speed. The Company considers historical trend rates together with knowledge of recent events that may impact current trends when developing estimates of current trend rates. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Historical health care cost trend rates are not necessarily representative of current trends. However, the business to which it relates is subject to premium adjustments. The Company excluded the impact of the change in health care receivables related to pharmacy rebates from the above roll-forward to conform to NAIC Annual Statement presentation.

Net coordination of benefits are implicit in the claims incurred but not reported calculation and could not be specifically identified.

26. Intercompany pooling arrangements

The Company did not have any intercompany pooling arrangements at December 31, 2017 or 2016.

27. Structured settlements

Not applicable to health entities.

28. Health care receivables

A. Pharmaceutical rebate receivables

The Company receives pharmaceutical rebates through an agreement with AHM. AHM has contractual agreements with pharmaceutical companies for rebates, which cover the Company's membership as well as the membership of other Aetna affiliates. The Company receives those rebates from AHM that relate to the Company's membership. The Company estimates pharmaceutical rebate receivables based upon the historical payment trends, actual utilization and other variables. Actual rebates collected are applied to the collection periods below, using a first in first out methodology. At December 31, 2017 and 2016, the Company had pharmaceutical rebate receivables of $0 and $686,900, respectively (refer to the Company's accounting practices related to pharmaceutical rebate receivables in Note 1).

The following table discloses the quarterly revenue and subsequent cash collections relating to the pharmaceutical rebates discussed in Note 10.

Date	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	121,599	0	16,158		
09/30/2017	302,899	302,899	302,899		
06/30/2017	154,047	154,047	154,047		
03/31/2017	1,984	1,984	1,984		
12/31/2016	384,521	384,521	384,521		
09/30/2016	358,941	358,941	358,941		
06/30/2016	3,780,045	3,780,045	3,780,045		
03/31/2016	3,253,494	3,307,066	3,307,066		
12/31/2015	4,182,946	0	2,753,210		
09/30/2015	5,111,139	5,111,139	5,111,139		
06/30/2015	4,181,131	4,181,131	4,181,131		
03/31/2015	3,683,653	3,683,653	3,683,653		

[1] Represents a portion of the estimated rebates for the quarter ending December 31, 2017, which were paid by AHM to the Company prior to December 31, 2017 and invoicing in 2018.

B. Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2017 or 2016.

29. Participating policies

The Company did not have any participating policies at December 31, 2017 or 2016.

30. Premium deficiency reserves

	December 31, 2017
1. Liability carried for premium deficiency reserves	$0
2. Date of the most recent evaluation of this liability	12/31/2017
3. Was anticipated investment income utilized in the calculation?	Yes

31. Anticipated salvage and subrogation

See discussion of hospital and medical costs and claims adjustment expenses and related reserves in Note 1.

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? Kansas

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). 08/07/2015

3.4 By what department or departments?
Kansas Insurance Department

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 [X] No [ ] N/A [ ]

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

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

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

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

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

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

6.2 If yes, give full information:

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

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

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, One Financial Plaza, 755 Main Street, Hartford, CT 06103

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 [ ] No [ ] N/A [X]

10.6 If the response to 10.5 is no or n/a, please explain
Coventry Health Care, Inc. ("CHC") merged into Aetna Health Holdings LLC ("AHH") on 1/1/14. Coventry Health Care of Kansas, Inc. ("CHC-KS") designated the Audit Committee of its immediate parent AHH to be CHC-KS's Audit Committee.

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?
William R. Jones, FSA, MAAA; 151 Farmington Avenue, RE2R; Hartford, CT 06156

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

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If, yes provide explanation:

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

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

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

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? 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).
No substantive changes were made. Minor changes include: 1) Changes to reflect the Company's current branding initiatives (i.e., "You Don't Join Us, We Join You") and mission statement (i.e., "to build a healthier world"); 2) A clarification of the difference between fraud, waste and abuse; 3) The addition of explicit reference to the UK Modern Slavery Act of 2015 in the list of laws applicable to government contracting; 4) Updates to the list of awards and recognitions received by the Company; and 5) A new section on "Diversity and Inclusion at Aetna" that replaced the previous section on "Diversity at Aetna".

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

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

GENERAL INTERROGATORIES

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

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

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

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

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

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)
N/A

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

25.21 Subject to repurchase agreements $
25.22 Subject to reverse repurchase agreements $
25.23 Subject to dollar repurchase agreements $
25.24 Subject to reverse dollar repurchase agreements $
25.25 Placed under option agreements $
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock $
25.27 FHLB Capital Stock $
25.28 On deposit with states $ 1,806,331
25.29 On deposit with other regulatory bodies $
25.30 Pledged as collateral - excluding collateral pledged to an FHLB $
25.31 Pledged as collateral to FHLB - including assets backing funding agreements $
25.32 Other $

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank and Trust Company	State Street Financial Center; One Lincoln Street; Boston, MA 02111-2900

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)
All agreements comply.		

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
Kevin J. Casey as Sr. Investment Officer	A

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
N/A	Kevin J. Casey	N/A	Not registered	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	51,215,751	53,222,572	2,006,821
30.2 Preferred stocks	0		0
30.3 Totals	51,215,751	53,222,572	2,006,821

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

Fair value of long term bonds and preferred stocks are determined based on quoted market prices when available, fair values using valuation methodologies based on available and observable market information, or by using matrix pricing. If quoted market prices are not available, we determine fair value using broker quoted or an internal analysis of each investment's financial performance and cash flow projections. Short-term investments are carried at amortized cost which approximated fair value. The carrying value of cash equivalents approximated fair value.

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

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

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

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

32.2 If no, list exceptions:

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? $ 1,921

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. $

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $ 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	13,675,962	371,446,450
2.2	Premium Denominator	13,675,962	371,446,450
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	3,421,620	14,396,266
2.5	Reserve Denominator	3,421,620	14,396,266
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

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

3.2 If yes, give particulars:

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

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

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

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical $
- 5.32 Medical Only $
- 5.33 Medicare Supplement $
- 5.34 Dental & Vision $
- 5.35 Other Limited Benefit Plan $
- 5.36 Other $

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:

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 19,016
- 8.2 Number of providers at end of reporting year 19,723

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 $
- 9.22 Business with rate guarantees over 36 months $

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 $ 63,414
10.22 Amount actually paid for year bonuses $ 26,781
10.23 Maximum amount payable withholds $
10.24 Amount actually paid for year withholds $

11.1 Is the reporting entity organized as:

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

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No [ ]
11.3 If yes, show the name of the state requiring such minimum capital and surplus. Kansas
11.4 If yes, show the amount required. $ 10,988,618
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]
11.6 If the amount is calculated, show the calculation

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

1 Name of Service Area

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. $

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. $

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		
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	5 Letters of Credit	6 Trust Agreements	7 Other

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

15.1 Direct Premium Written $
15.2 Total Incurred Claims $
15.3 Number of Covered Lives

*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)	61,893,250	115,953,772	211,349,305	230,164,297	204,423,051
2.	Total liabilities (Page 3, Line 24)	10,070,255	42,135,090	118,227,266	120,802,362	88,915,611
3.	Statutory minimum capital and surplus requirement	10,988,618	10,988,618	24,203,348	27,431,361	47,580,944
4.	Total capital and surplus (Page 3, Line 33)	51,822,995	73,818,682	93,122,039	109,361,935	115,507,439
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	13,107,855	367,873,275	573,718,954	614,952,081	699,679,587
6.	Total medical and hospital expenses (Line 18)	9,009,348	291,665,302	467,030,001	514,836,490	580,908,081
7.	Claims adjustment expenses (Line 20)	439,208	6,605,399	11,431,113	11,134,834	35,236,492
8.	Total administrative expenses (Line 21)	1,299,575	41,609,991	61,421,720	58,274,087	44,214,639
9.	Net underwriting gain (loss) (Line 24)	2,359,724	27,992,582	33,836,120	30,706,670	39,320,376
10.	Net investment gain (loss) (Line 27)	2,273,736	4,869,960	3,358,341	3,682,694	3,796,489
11.	Total other income (Lines 28 plus 29)	0	0	(60,606)	0	(158,439)
12.	Net income or (loss) (Line 32)	4,959,970	25,694,844	28,186,329	24,476,702	33,904,909
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	(1,683,809)	(16,375,969)	36,962,045	15,788,051	14,314,717
	Risk-Based Capital Analysis					
14.	Total adjusted capital	51,822,995	73,818,682	93,122,039	109,361,935	115,507,439
15.	Authorized control level risk-based capital	862,707	11,770,637	17,488,033	19,377,568	21,397,231
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	2,349	7,192	60,164	80,715	89,819
17.	Total members months (Column 6, Line 7)	32,234	265,590	809,244	995,228	1,287,646
	Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18.	Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19.	Total hospital and medical plus other non-health (Lines 18 plus Line 19)	68.7	79.3	81.4	83.7	83.0
20.	Cost containment expenses	2.9	1.5	1.4	1.3	1.2
21.	Other claims adjustment expenses	0.5	0.3	0.5	0.5	3.9
22.	Total underwriting deductions (Line 23)	82.0	92.4	94.1	95.0	94.4
23.	Total underwriting gain (loss) (Line 24)	18.0	7.6	5.9	5.0	5.6
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	2,529,515	22,398,235	32,368,642	31,691,817	69,631,244
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	6,700,078	43,093,030	47,252,249	45,844,657	89,922,180
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)			0	0	0
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)			0	0	0
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)			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					
31.	All other affiliated					
32.	Total of above Lines 26 to 31	0	0	0	0	0
33.	Total investment in parent included in Lines 26 to 31 above.					

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

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	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	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	L		36,161					36,161	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	L	15,165,581	134					15,165,715	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	L	6,626	184,862					191,488	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	L	6,812	(57,416)					(50,604)	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	15,179,019	163,741	0	0	0	0	15,342,760	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 4	15,179,019	163,741	0	0	0	0	15,342,760	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.

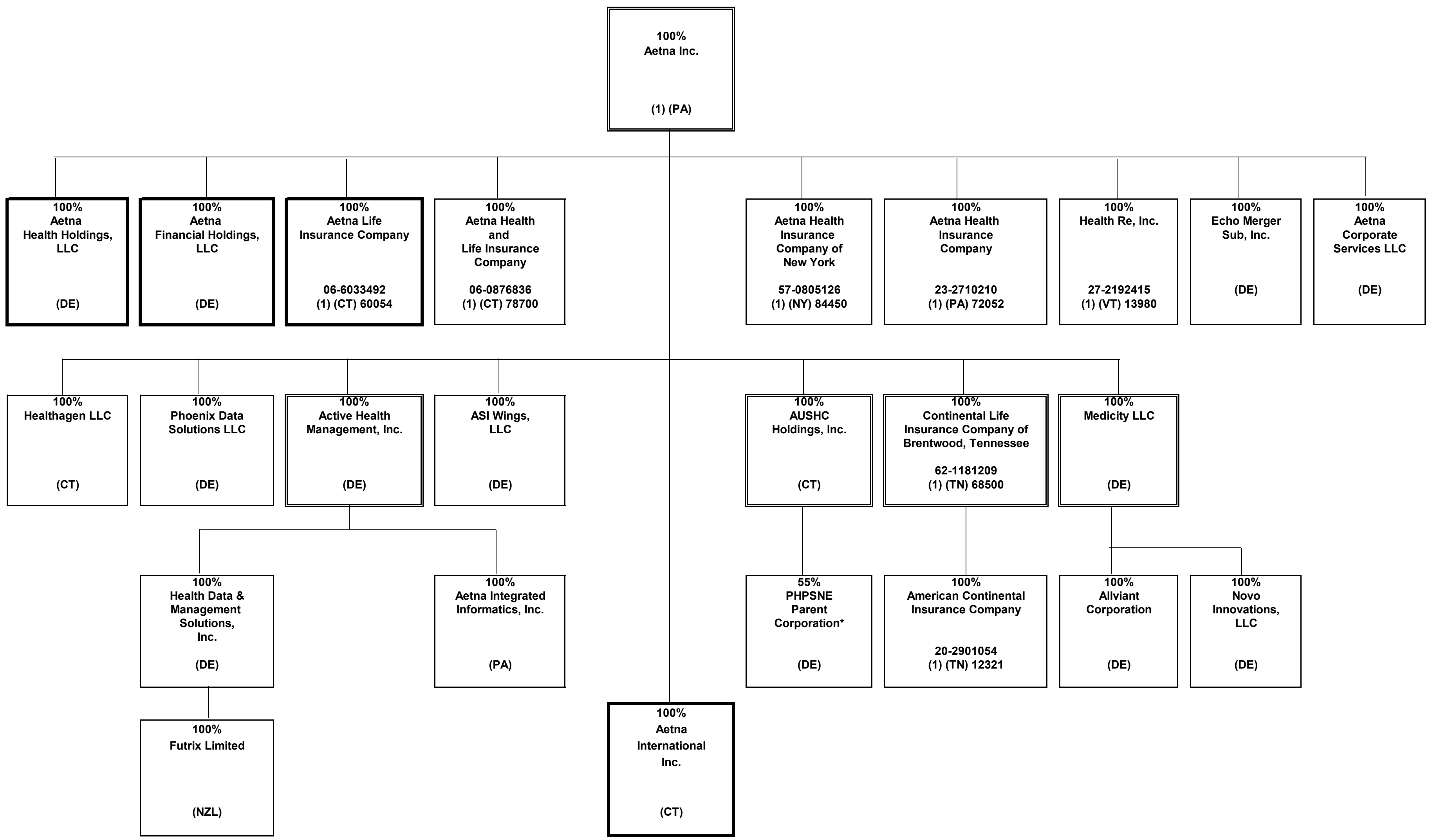
Allocation by state is based on the employer group's state of domicile.

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE COVENTRY HEALTH CARE OF KANSAS, INC.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



(1) Insurers/HMO's
Percentages are rounded to the nearest whole percent and based on ownership of voting rights.
Double borders indicate entity has subsidiaries shown on the same page.
Bold borders indicate entity has subsidiaries shown on a separate page.

*55% is owned by AUSHC Holdings, Inc. and 45% is owned by third parties.

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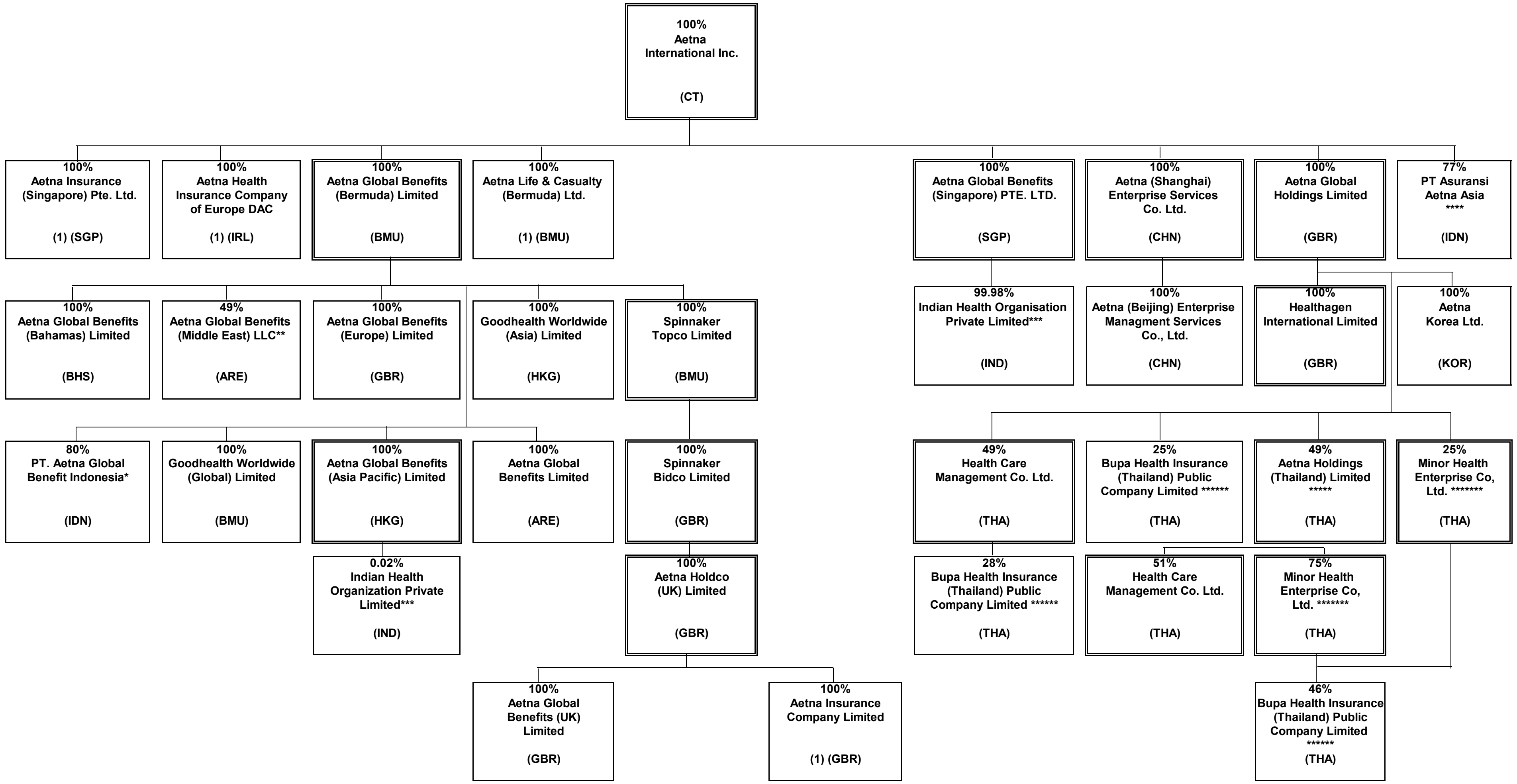

*Aetna Global Benefits Indonesia is 80% owned by Aetna Global Benefits (Bermuda) Limited and 20% is owned by Suhatsyah Rivai, Aetna's Nominee.
**Aetna Global Benefits (Middle East) LLC is 49% owned by Aetna Global Benefits (Bermuda) Limited and 51% is owned by Euro Gulf LLC, Aetna's Nominee.
***Indian Health Organisation Private Limited is 0.019857% owned by Aetna Global Benefits (Asia Pacific) and 99.980143% owned by Aetna Global Benefits (Singapore) PTE. LTD.
****PT Asuransi Aetna Asia is 77% owned by Aetna International Inc. and 23% owned by PT Asuransi Central Asia.
*****Aetna Holdings (Thailand) Limited is 51% owned by Mr. Paiboon Sutantivorakoon
******Bupa Health Insurance (Thailand) Public Company Limited is 46% owned by Minor Health Entreprise Co, Ltd.; 25% owned by Aetna Global Holdings Limited; and 28% owned by Health Care Management Co. Ltd. and total 1% owned by Aetna Global Benefits (Bermuda) Limited (1 Share); Mr. Sansanapongpherchar (1 Share); Mr. Jitphasong Itsaraphakded (1 Share); Mrs. Suphee Wattana (1 Share); and Mr. Buncha Tamphragom (1 Share)
*******Minor Health Entreprise Co, Ltd is 1 share owned by Aetna Global Benefits (Bermuda) Ltd

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- 100% Aetna Health Holdings, LLC (DE)
  - 100% Aetna Health of California Inc. 95-3402799 (1) CA
  - 100% Aetna Health Inc. 23-2442048 (1) (CT) 95935
  - 100% Aetna Health Inc. 59-2411584 (1) (FL) 95088
  - 100% Aetna Health Inc. 58-1649568 (1) (GA) 95094
  - 100% Aetna Health Inc. 01-0504252 (1) (ME) 95517
  - 100% Aetna Health Inc. 23-2861565 (1) (MI) 95756
  - 100% Aetna Health Inc. 52-1270921 (1) (NJ) 95287
  - 100% Prodigy Health Group, Inc. (DE)
  - 100% Aetna Better Health Inc. 45-2634734 (1) (NY) 14408
  - 100% Aetna Health Inc. 22-2663623 (1) (NY) 95234
  - 100% Aetna Health Inc. 76-0189680 (1) (TX) 95490
  - 100% Aetna Dental of California Inc. 06-1160812 (1) (CA)
  - 100% Aetna Dental Inc. 22-2990909 (1) (NJ) 11183
  - 100% Aetna Dental Inc. 06-1177531 (1) (TX) 95910
  - 100% Aetna Better Health Inc. 26-2867560 (1) (CT) 13174
  - 100% Aetna Florida Inc. 80-0671703 (FL)
  - 100% Aetna Better Health of California Inc. 47-5178095 (1) (CA)
  - 100% Aetna Better Health Inc. 20-2207534 (1) (GA) 12328
  - 100% Aetna Better Health Inc. 27-2512072 (1) (IL) 14043
  - 100% Aetna Better Health of Iowa Inc. 47-3850677 (1) (IA) 15805
  - 100% Aetna Better Health, Inc. 80-0629718 (1) (LA) 15616
  - 100% Aetna Better Health Inc. 46-3203088 (1) (NJ) 15611
  - 100% Aetna Better Health Inc. 45-2764938 (1) (OH) 14229
  - 100% Aetna Better Health Inc. 27-0563973 (1) (PA) 13735
  - 100% Aetna Better Health of Texas Inc. 74-1844335 (1) (TX) 95040
  - 100% Aetna Better Health of Oklahoma Inc. 81-1143850 (1) (OK) 15919
  - 100% Aetna Better Health of Washington, Inc. 81-5030233 (1) (WA) 16242
  - 100% Aetna Better Health of North Carolina Inc. 82-3333789 (1) (NC)
  - 100% Schaller Anderson Medical Administrators, Incorporated (DE)
  - 100% Cofinity, Inc. (DE)
  - 100% Aetna Specialty Pharmacy, LLC (DE)
  - 100% Aetna Health Management, LLC (DE)
  - 100% Aetna RX Home Delivery, LLC (DE)
  - 100% Aetna Ireland Inc. (DE)
  - 100% @ Credentials Inc. (DE)
  - 100% iTriage, LLC (DE)
  - 100% Strategic Resource Company (SC)
  - 100% Aetna Medicaid Administrators (AZ)
  - 100% Aetna Student Health Agency Inc. (MA)
  - 100% Delaware Physicians Care, Incorporated 73-1702453 (1) (DE)

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

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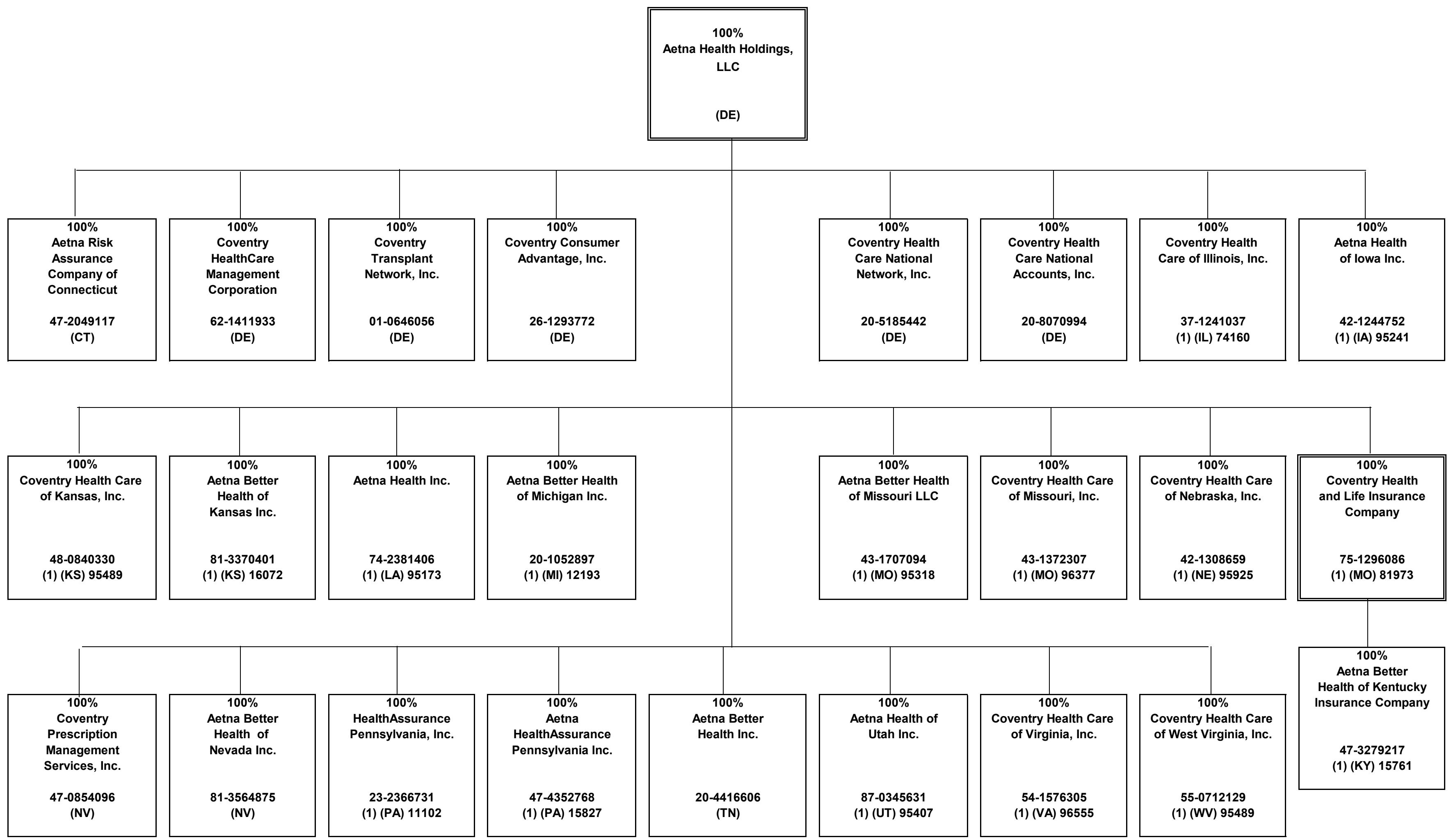

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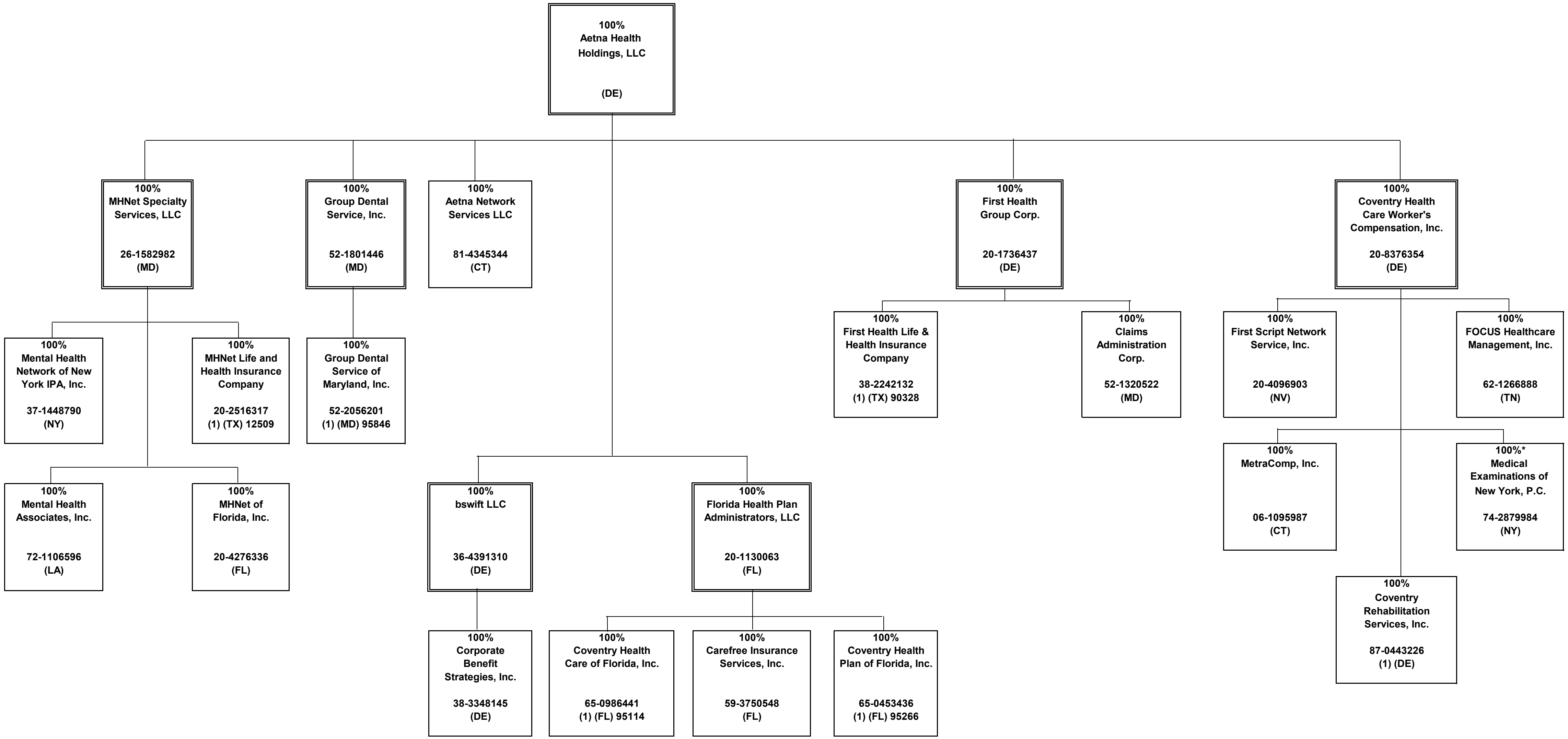

*100% owned through Aetna's nominees

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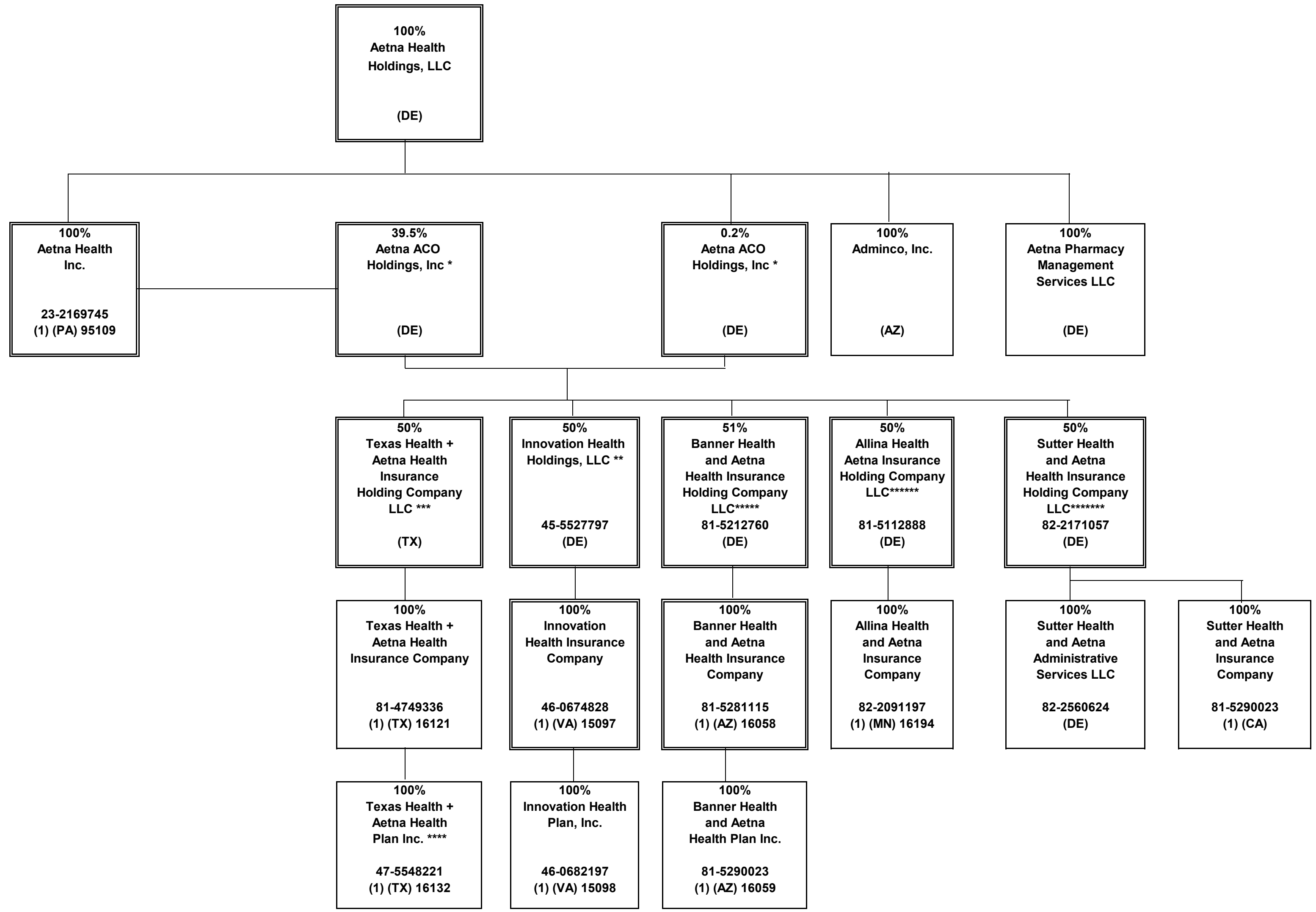

* Aetna ACO Holdings Inc. is owned by Aetna Life Insurance Company (302 shares); Aetna Health Inc. (PA) (198 shares); and Aetna Health Holdings, LLC (1 share).
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings Inc. and 50% owned by Inova Health System Foundation.
*** Texas Health + Aetna Health Insurance Holding Company LLC is 50% owned by Aetna ACO Holdings Inc. and 50% owned by Texas Health Resources.
**** Texas Health + Aetna Health Plan Inc. became a direct subsidiary of Texas Health + Aetna Health Insurance Company February 2017.
***** Banner Health and Aetna Health Insurance Holding Company LLC is 51% owned by Aetna ACO Holdings Inc. and 49% owned by Banner Health.
****** Allina Health and Aetna Insurance Holding Company LLC is 50% owned by Aetna ACO Holdings Inc. and 50% owned by Allina Health.
*******Sutter Health and Aetna Insurance Holding Company LLC is 50% owned by Aetna ACO Holdings Inc. and 50% owned by Sutter Health Plan Products Organization, LLC.

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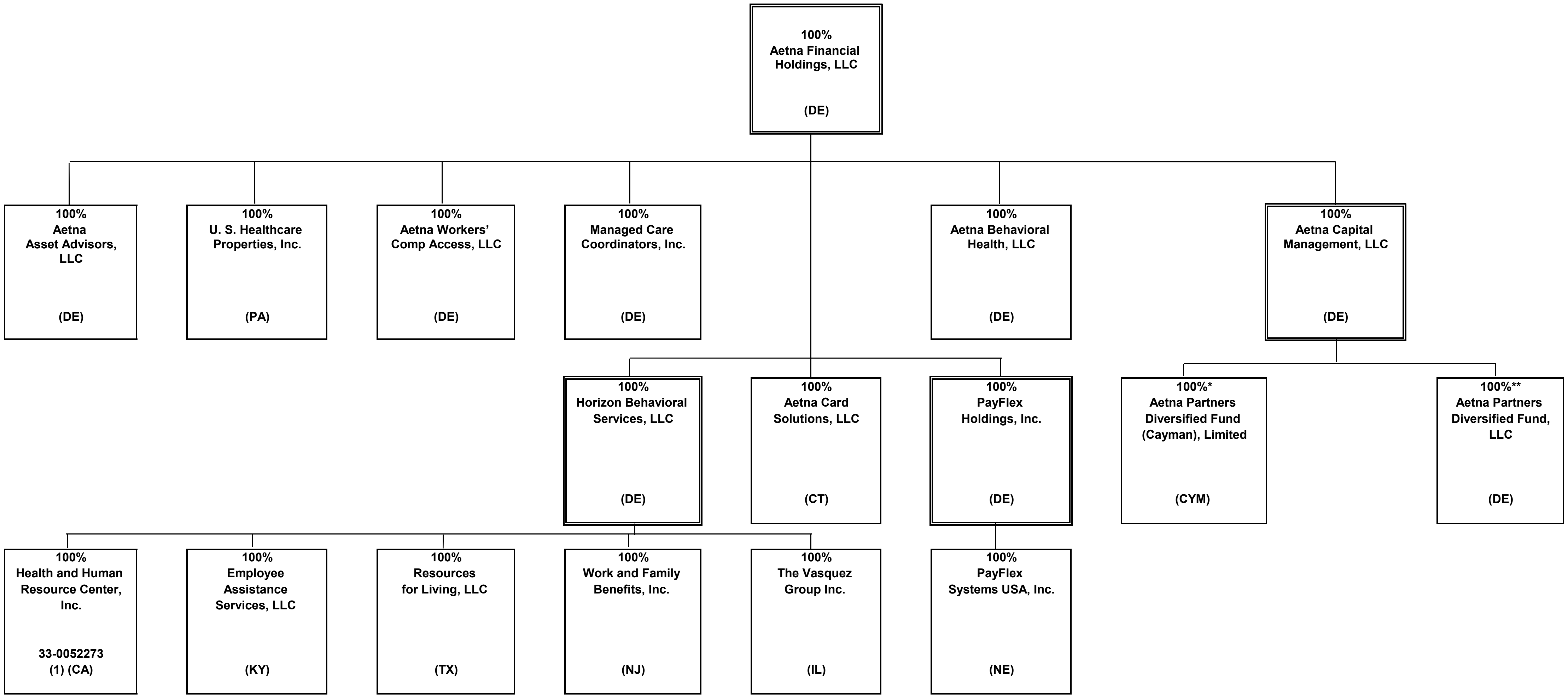

* Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.

** Aetna Life Insurance Company, Aetna Health and Life Insurance Company and Aetna Health Management , LLC own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE COVENTRY HEALTH CARE OF KANSAS, INC.

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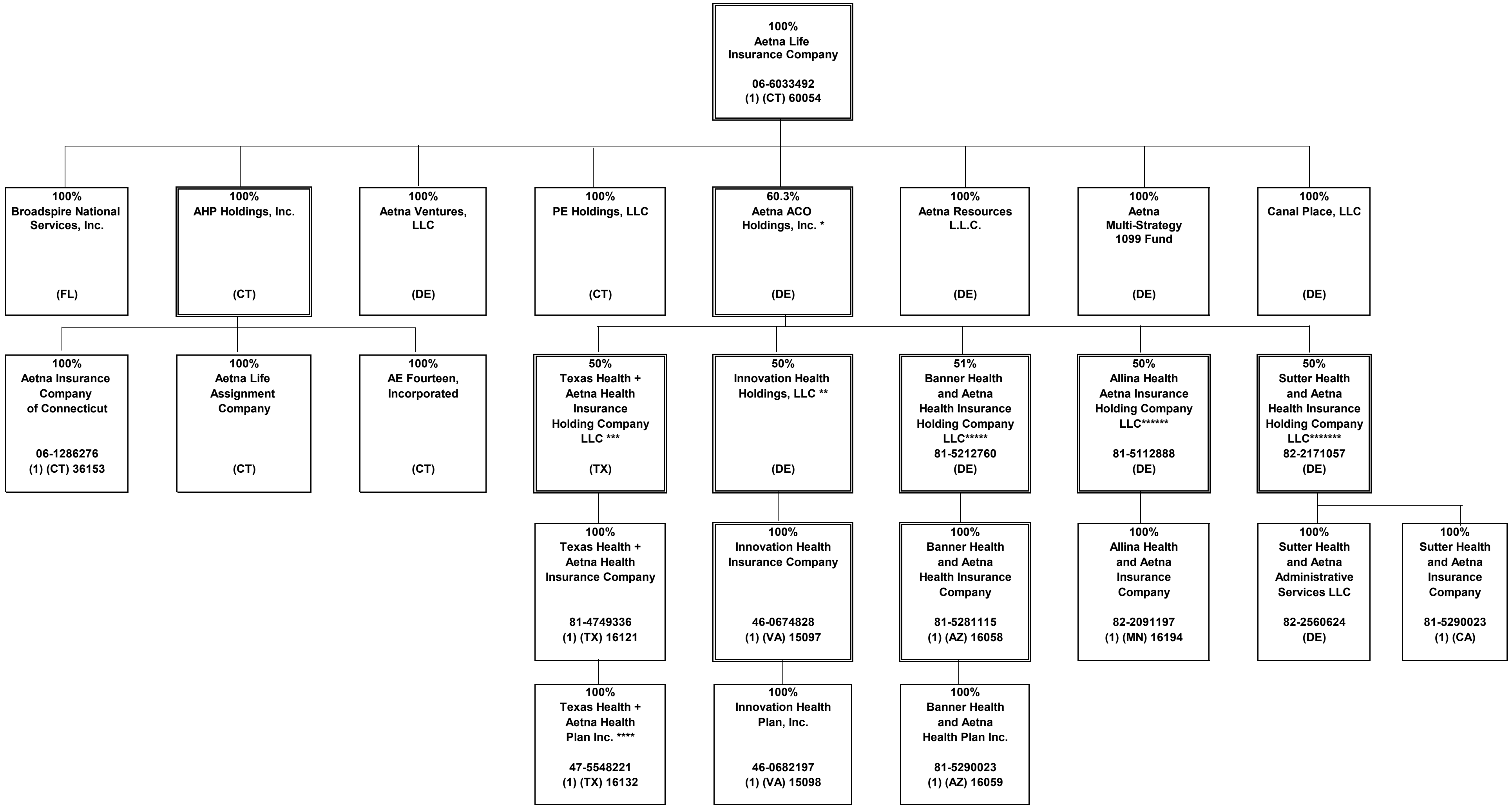

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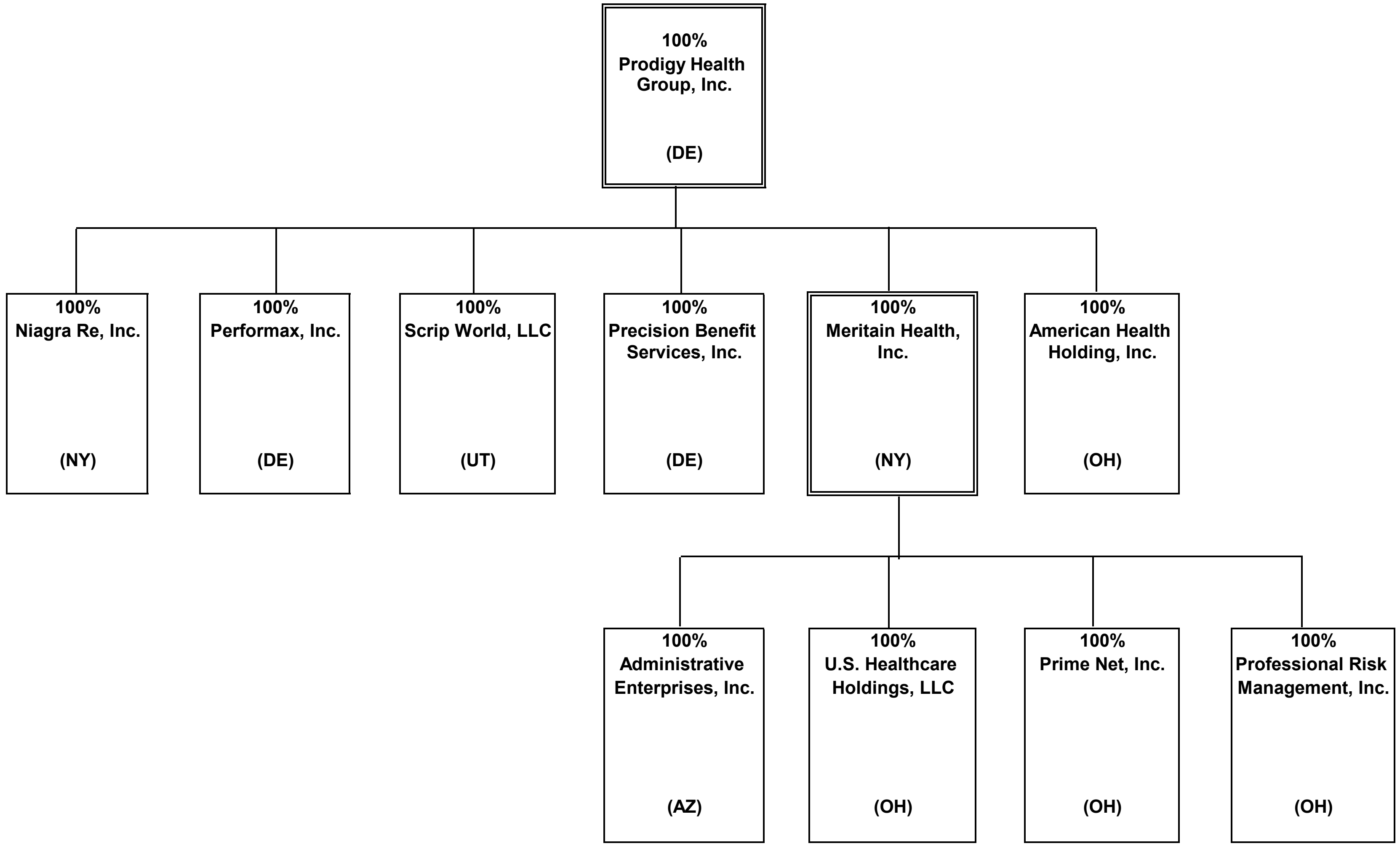

OVERFLOW PAGE FOR WRITE-INS

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

	Claim Adjustment Expenses 1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
2504. Rx rebate expense			(162,379)		(162,379)
2505. Interest expense			10,951		10,951
2506. BH capitation			204		204
2507. Donations					0
2508. Future use					0
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	(151,224)	0	(151,224)

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)