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LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018

OF THE CONDITION AND AFFAIRS OF THE

Golden Rule Insurance Company

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 62286 Employer's ID Number 37-6028756

Organized under the Laws of Indiana, State of Domicile or Port of Entry IN

Country of Domicile United States of America

Incorporated/Organized 06/17/1959 Commenced Business 06/23/1961

Statutory Home Office 7440 Woodland Drive (Street and Number), Indianapolis, IN, US 46278 (City or Town, State, Country and Zip Code)

Main Administrative Office 7440 Woodland Drive (Street and Number)

Indianapolis, IN, US 46278 (City or Town, State, Country and Zip Code), 317-290-8100 (Area Code) (Telephone Number)

Mail Address 7440 Woodland Drive (Street and Number or P.O. Box), Indianapolis, IN, US 46278 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 7440 Woodland Drive (Street and Number)

Indianapolis, IN, US 46278 (City or Town, State, Country and Zip Code), 317-290-8100 (Area Code) (Telephone Number)

Internet Website Address goldenrule.com

Statutory Statement Contact Greg Todd Icenogle (Name), 317-715-7013 (Area Code) (Telephone Number)

greg.icenogle@uhc.com (E-mail Address), 317-405-3895 (FAX Number)

OFFICERS

President, Chief Executive Officer, Chair	Patrick Francis Carr	Vice President, Chief Financial Officer	Jeremy Michael Schoettle
Vice President, Secretary	Richard Charles Sullivan	Treasurer	Peter Marshall Gill #

OTHER

Nyle Brent Cottington, Vice President	John Frederick Frank, Vice President	James Mark Gabriel, Senior Vice President
Heather Anastasia Lang, Assistant Secretary	James Elmer Prochnow, Vice President	

DIRECTORS OR TRUSTEES

Patrick Francis Carr	John Frederick Frank	James Mark Gabriel
Jeremy Michael Schoettle #	Richard Charles Sullivan	

State of Indiana
County of Marion
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.

Patrick Francis Carr	Richard Charles Sullivan	Jeremy Michael Schoettle
President, Chief Executive Officer, Chair	Vice President, Secretary	Vice President, Chief Financial Officer

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)	370,302,383		370,302,383	367,689,933
2.	Stocks (Schedule D):				
	2.1 Preferred stocks			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	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ 0 encumbrances)	2,232,016		2,232,016	2,505,510
	4.2 Properties held for the production of income (less $ 0 encumbrances)			0	0
	4.3 Properties held for sale (less $ 0 encumbrances)			0	0
5.	Cash ($ 1,448,790 , Schedule E - Part 1), cash equivalents ($ 7,981,841 , Schedule E - Part 2) and short-term investments ($ 76,519,812 , Schedule DA)	85,950,443		85,950,443	37,577,686
6.	Contract loans (including $ premium notes)			0	0
7.	Derivatives (Schedule DB)			0	0
8.	Other invested assets (Schedule BA)	11,616,984		11,616,984	13,551,364
9.	Receivables for securities	0		0	0
10.	Securities lending reinvested collateral assets (Schedule DL)			0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	470,101,826	0	470,101,826	421,324,493
13.	Title plants less $ charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	2,694,340		2,694,340	3,029,905
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	11,429,372	32,567	11,396,805	11,077,595
	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 ($) and contracts subject to redetermination ($ 27,402)	27,402		27,402	1,485,282
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	9,273		9,273	322,819
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts	528,110		528,110	528,173
17.	Amounts receivable relating to uninsured plans			0	0
18.1	Current federal and foreign income tax recoverable and interest thereon	10,528,229		10,528,229	32,001,619
18.2	Net deferred tax asset	14,980,861	1,706,081	13,274,780	11,843,320
19.	Guaranty funds receivable or on deposit	5,803,039		5,803,039	5,131,314
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($)			0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates	1,487,932		1,487,932	5,225,379
24.	Health care ($ 6,554,702) and other amounts receivable	7,981,028	1,426,326	6,554,702	6,773,917
25.	Aggregate write-ins for other than invested assets	13,400,565	13,196,675	203,890	427,963
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	538,971,977	16,361,649	522,610,328	499,171,779
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	538,971,977	16,361,649	522,610,328	499,171,779
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	Advances and Prepaids	13,135,268	13,135,268	0	0
2502.	State Taxes Receivable	203,890	0	203,890	427,963
2503.	Miscellaneous Receivables	61,407	61,407	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)	13,400,565	13,196,675	203,890	427,963

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Aggregate reserve for life contracts $ 179,295 (Exh. 5, Line 9999999) less $ included in Line 6.3 (including $ Modco Reserve)	179,295	101,864
2.	Aggregate reserve for accident and health contracts (including $ 0 Modco Reserve)	63,882,188	63,150,534
3.	Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including $ Modco Reserve)	0	0
4.	Contract claims:		
	4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	1,135,273	835,255
	4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	130,268,028	149,409,578
5.	Policyholders' dividends $ and coupons $ due and unpaid (Exhibit 4, Line 10)	0	0
6.	Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
	6.1 Dividends apportioned for payment (including $ Modco)		
	6.2 Dividends not yet apportioned (including $ Modco)		
	6.3 Coupons and similar benefits (including $ Modco)		
7.	Amount provisionally held for deferred dividend policies not included in Line 6		
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less $ discount; including $ 23,376,396 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)	23,390,858	12,497,022
9.	Contract liabilities not included elsewhere:		
	9.1 Surrender values on canceled contracts		
	9.2 Provision for experience rating refunds, including the liability of $ 2,469,557 accident and health experience rating refunds of which $ 2,240,125 is for medical loss ratio rebate per the Public Health Service Act	2,469,557	4,241,307
	9.3 Other amounts payable on reinsurance, including $ assumed and $ ceded	0	0
	9.4 Interest maintenance reserve (IMR, Line 6)	4,154,859	6,000,926
10.	Commissions to agents due or accrued-life and annuity contracts $ 110,464 accident and health $ 8,274,316 and deposit-type contract funds $	8,384,779	4,692,090
11.	Commissions and expense allowances payable on reinsurance assumed		
12.	General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	2,968,991	3,787,993
13.	Transfers to Separate Accounts due or accrued (net) (including $ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	14,153,656	22,608,256
15.1	Current federal and foreign income taxes, including $ on realized capital gains (losses)		0
15.2	Net deferred tax liability		
16.	Unearned investment income		
17.	Amounts withheld or retained by company as agent or trustee	37,712	43,660
18.	Amounts held for agents' account, including $ agents' credit balances		
19.	Remittances and items not allocated	1,272,198	559,019
20.	Net adjustment in assets and liabilities due to foreign exchange rates		
21.	Liability for benefits for employees and agents if not included above		
22.	Borrowed money $ and interest thereon $		
23.	Dividends to stockholders declared and unpaid		
24.	Miscellaneous liabilities:		
	24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	1,453,281	1,491,568
	24.02 Reinsurance in unauthorized and certified ($ 0) companies	0	0
	24.03 Funds held under reinsurance treaties with unauthorized and certified ($) reinsurers		
	24.04 Payable to parent, subsidiaries and affiliates		0
	24.05 Drafts outstanding	24,669,160	26,755,411
	24.06 Liability for amounts held under uninsured plans		
	24.07 Funds held under coinsurance		
	24.08 Derivatives	0	0
	24.09 Payable for securities		2,421,604
	24.10 Payable for securities lending		
	24.11 Capital notes $ and interest thereon $		
25.	Aggregate write-ins for liabilities	2,156,348	1,948,591
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	280,576,183	300,544,678
27.	From Separate Accounts Statement		
28.	Total liabilities (Lines 26 and 27)	280,576,183	300,544,678
29.	Common capital stock	3,262,704	3,262,704
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds	0	0
32.	Surplus notes	0	
33.	Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	14,162,016	14,162,016
34.	Aggregate write-ins for special surplus funds	8,546,155	37,686,623
35.	Unassigned funds (surplus)	216,063,270	143,515,758
36.	Less treasury stock, at cost:		
	36.1 shares common (value included in Line 29 $)		
	36.2 shares preferred (value included in Line 30 $)		
37.	Surplus (Total Lines 31+32+33+34+35-36) (including $ in Separate Accounts Statement)	238,771,441	195,364,397
38.	Totals of Lines 29, 30 and 37 (Page 4, Line 55)	242,034,145	198,627,101
39.	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	522,610,328	499,171,779
	DETAILS OF WRITE-INS		
2501.	Accrued Cost of Claims Savings	360,654	273,036
2502.	Association Group Escrow Account	670,944	661,697
2503.	Miscellaneous Liabilities	1,049,750	938,690
2598.	Summary of remaining write-ins for Line 25 from overflow page	75,000	75,168
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,156,348	1,948,591
3101.			
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page	0	0
3199.	Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0
3401.	Surplus Relief Related to Reinsurance	8,546,155	10,345,345
3402.	Section 9010 ACA Subsequent Fee Year Assessment	0	27,341,278
3403.			
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	8,546,155	37,686,623

SUMMARY OF OPERATIONS

		1 Current Year	2 Prior Year
1.	Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	1,264,008,561	1,338,103,418
2.	Considerations for supplementary contracts with life contingencies	0	
3.	Net investment income (Exhibit of Net Investment Income, Line 17)	9,197,673	7,040,261
4.	Amortization of Interest Maintenance Reserve (IMR, Line 5)	1,700,827	2,210,657
5.	Separate Accounts net gain from operations excluding unrealized gains or losses	0	
6.	Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	2,751,280	2,689,304
7.	Reserve adjustments on reinsurance ceded	0	
8.	Miscellaneous Income:		
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	0	
	8.2 Charges and fees for deposit-type contracts	0	
	8.3 Aggregate write-ins for miscellaneous income	870,779	458,890
9.	Total (Lines 1 to 8.3)	1,278,529,120	1,350,502,530
10.	Death benefits	752,976	1,055,818
11.	Matured endowments (excluding guaranteed annual pure endowments)	0	0
12.	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	0	0
13.	Disability benefits and benefits under accident and health contracts	823,948,747	958,777,381
14.	Coupons, guaranteed annual pure endowments and similar benefits	0	
15.	Surrender benefits and withdrawals for life contracts	0	0
16.	Group conversions	0	
17.	Interest and adjustments on contract or deposit-type contract funds	0	
18.	Payments on supplementary contracts with life contingencies	0	
19.	Increase in aggregate reserves for life and accident and health contracts	2,404,569	(2,768,067)
20.	Totals (Lines 10 to 19)	827,106,292	957,065,132
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	87,561,663	88,560,306
22.	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	
23.	General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4)	142,351,597	157,174,313
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	52,287,524	23,925,321
25.	Increase in loading on deferred and uncollected premiums	0	
26.	Net transfers to or (from) Separate Accounts net of reinsurance	0	
27.	Aggregate write-ins for deductions	5,370	71,497
28.	Totals (Lines 20 to 27)	1,109,312,446	1,226,796,569
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	169,216,674	123,705,961
30.	Dividends to policyholders	0	0
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	169,216,674	123,705,961
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	39,172,246	41,080,662
33.	Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	130,044,428	82,625,299
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ (44,867) (excluding taxes of $ (38,609) transferred to the IMR)	526,938	(2,735)
35.	Net income (Line 33 plus Line 34)	130,571,366	82,622,564
	CAPITAL AND SURPLUS ACCOUNT		
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	198,627,101	170,050,413
37.	Net income (Line 35)	130,571,366	82,622,564
38.	Change in net unrealized capital gains (losses) less capital gains tax of $ 0		
39.	Change in net unrealized foreign exchange capital gain (loss)		
40.	Change in net deferred income tax	2,303,026	(8,338,292)
41.	Change in nonadmitted assets	(5,706,445)	8,564,581
42.	Change in liability for reinsurance in unauthorized and certified companies		
43.	Change in reserve on account of change in valuation basis, (increase) or decrease	0	0
44.	Change in asset valuation reserve	38,287	9,977
45.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46.	Surplus (contributed to) withdrawn from Separate Accounts during period		
47.	Other changes in surplus in Separate Accounts Statement		
48.	Change in surplus notes		
49.	Cumulative effect of changes in accounting principles		7,517,048
50.	Capital changes:		
	50.1 Paid in		
	50.2 Transferred from surplus (Stock Dividend)		
	50.3 Transferred to surplus		
51.	Surplus adjustment:		
	51.1 Paid in	0	0
	51.2 Transferred to capital (Stock Dividend)		
	51.3 Transferred from capital		
	51.4 Change in surplus as a result of reinsurance	(1,799,190)	(1,799,190)
52.	Dividends to stockholders	(82,000,000)	(60,000,000)
53.	Aggregate write-ins for gains and losses in surplus	0	0
54.	Net change in capital and surplus for the year (Lines 37 through 53)	43,407,044	28,576,688
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	242,034,145	198,627,101
	DETAILS OF WRITE-INS		
08.301.	Policyholder Fees	96,272	109,683
08.302.	Other Income	774,507	349,207
08.303.			
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above)	870,779	458,890
2701.	Fines and Penalties	5,370	71,497
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	5,370	71,497
5301.			
5302.			
5303.			
5398.	Summary of remaining write-ins for Line 53 from overflow page	0	0
5399.	Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	0	0

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	1,272,645,703	1,325,030,572
2.	Net investment income	13,926,856	12,806,107
3.	Miscellaneous income	870,780	458,890
4.	Total (Lines 1 through 3)	1,287,443,339	1,338,295,569
5.	Benefit and loss related payments	834,425,765	967,473,176
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	299,300,386	285,061,830
8.	Dividends paid to policyholders	0	0
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	17,615,381	40,232,621
10.	Total (Lines 5 through 9)	1,151,341,532	1,292,767,627
11.	Net cash from operations (Line 4 minus Line 10)	136,101,807	45,527,942
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	114,775,805	107,477,798
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	617,751	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
	12.7 Miscellaneous proceeds	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	115,393,556	107,477,798
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	121,232,726	118,171,857
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	2,421,604	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	123,654,330	118,171,857
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)	(8,260,774)	(10,694,059)
	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	82,000,000	60,000,000
	16.6 Other cash provided (applied)	2,531,724	37,621,214
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(79,468,276)	(22,378,786)
	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)	48,372,757	12,455,097
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	37,577,686	25,122,589
	19.2 End of year (Line 18 plus Line 19.1)	85,950,443	37,577,686

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

20.0001.	Cumulative effect of change in accounting principle	0	7,517,048

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	Ordinary			6	Group		Accident and Health			12
		Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	Aggregate of All Other Lines of Business
1.	Premiums and annuity considerations for life and accident and health contracts	1,264,008,561	0	1,083,377	0		0	1,004,805	0	951,679,209	0	310,241,170	
2.	Considerations for supplementary contracts with life contingencies	0											
3.	Net investment income	9,197,673		6,725				6,237		7,013,346		2,171,365	
4.	Amortization of Interest Maintenance Reserve (IMR)	1,700,827		1,458				1,352		1,280,562		417,455	
5.	Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6.	Commissions and expense allowances on reinsurance ceded	2,751,280	0	1,981,549	769,731		0	0	0	0	0	0	
7.	Reserve adjustments on reinsurance ceded	0											
8.	Miscellaneous Income:												
	8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	0											
	8.2 Charges and fees for deposit-type contracts	0											
	8.3 Aggregate write-ins for miscellaneous income	870,779	0	10	0	0	0	99	0	733,040	0	137,630	0
9.	Totals (Lines 1 to 8.3)	1,278,529,120	0	3,073,119	769,731	0	0	1,012,493	0	960,706,157	0	312,967,620	0
10.	Death benefits	752,976		639,325				113,651					
11.	Matured endowments (excluding guaranteed annual pure endowments)	0											
12.	Annuity benefits	0											
13.	Disability benefits and benefits under accident and health contracts	823,948,746								674,471,708	0	149,477,038	
14.	Coupons, guaranteed annual pure endowments and similar benefits	0											
15.	Surrender benefits and withdrawals for life contracts	0											
16.	Group conversions	0											
17.	Interest and adjustments on contract or deposit-type contract funds	0											
18.	Payments on supplementary contracts with life contingencies	0											
19.	Increase in aggregate reserves for life and accident and health contracts	2,404,570		82,422				(4,991)		(532,667)		2,859,806	
20.	Totals (Lines 10 to 19)	827,106,292	0	721,747	0	0	0	108,660	0	673,939,041	0	152,336,844	0
21.	Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	87,561,663	0	1,024,988	50,055		0	111,459	0	33,464,853	0	52,910,308	0
22.	Commissions and expense allowances on reinsurance assumed	0	0	0	0		0	0	0	0	0	0	0
23.	General insurance expenses	142,351,597		107,543				105,336		108,984,086	0	33,154,632	
24.	Insurance taxes, licenses and fees, excluding federal income taxes	52,287,524		(253,085)				(229,538)		41,258,443		11,511,704	
25.	Increase in loading on deferred and uncollected premiums	0											
26.	Net transfers to or (from) Separate Accounts net of reinsurance	0											
27.	Aggregate write-ins for deductions	5,370	0	0	0	0	0	26	0	4,043	0	1,301	0
28.	Totals (Lines 20 to 27)	1,109,312,446	0	1,601,193	50,055	0	0	95,943	0	857,650,466	0	249,914,789	0
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	169,216,674	0	1,471,926	719,676	0	0	916,550	0	103,055,691	0	63,052,831	0
30.	Dividends to policyholders	0										0	
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	169,216,674	0	1,471,926	719,676	0	0	916,550	0	103,055,691	0	63,052,831	0
32.	Federal income taxes incurred (excluding tax on capital gains)	39,172,246		(104,118)	(10,256)			188,070		25,218,271		13,880,279	
33.	Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	130,044,428	0	1,576,044	729,932	0	0	728,480	0	77,837,420	0	49,172,552	0
	DETAILS OF WRITE-INS												
08.301.	Policyholder Fees	96,272		10				99		81,044		15,119	
08.302.	Other Income	774,507								651,996		122,511	
08.303.													
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	870,779	0	10	0	0	0	99	0	733,040	0	137,630	0
2701.	Fines & Penalties	5,370						26		4,043		1,301	
2702.													
2703.													
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	5,370	0	0	0	0	0	26	0	4,043	0	1,301	0

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1	2	Ordinary			6	Group	
			3	4	5		7	8
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	101,864	0	60,121	0	0	0	41,743	0
2. Tabular net premiums or considerations	3,705,133		812,781				2,892,352	
3. Present value of disability claims incurred	0				XXX			
4. Tabular interest	60,174		15,867				44,308	
5. Tabular less actual reserve released	0							
6. Increase in reserve on account of change in valuation basis	0							
6.1 Change in excess of VM-20 deterministic/stochastic reserve over net premium reserve	0	XXX		XXX	XXX	XXX	XXX	XXX
7. Other increases (net)	0							
8. Totals (Lines 1 to 7)	3,867,171	0	888,769	0	0	0	2,978,403	0
9. Tabular cost	3,639,639		697,986		XXX		2,941,653	
10. Reserves released by death	457		457	XXX	XXX		0	XXX
11. Reserves released by other terminations (net)	47,781		47,781				0	
12. Annuity, supplementary contract and disability payments involving life contingencies	0							
13. Net transfers to or (from) Separate Accounts	0							
14. Total Deductions (Lines 9 to 13)	3,687,877	0	746,224	0	0	0	2,941,653	0
15. Reserve December 31, current year	179,294	0	142,545	0	0	0	36,750	0

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 797,904	882,641
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 8,156,915	7,773,333
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 1,351,765	1,351,765
5	Contract loans		
6	Cash, cash equivalents and short-term investments	(e) 2,241,426	2,204,707
7	Derivative instruments	(f)	
8.	Other invested assets	(1,934,380)	(1,934,380)
9.	Aggregate write-ins for investment income	14	14
10.	Total gross investment income	10,613,644	10,278,080
11.	Investment expenses		(g) 942,592
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 137,815
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		1,080,407
17.	Net investment income (Line 10 minus Line 16)		9,197,673
	DETAILS OF WRITE-INS		
0901.	Miscellaneous Income	14	14
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	14	14
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 $ 180,183 accrual of discount less $ 3,840,805 amortization of premium and less $ 284,942 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 $ 1,351,765 for company's occupancy of its own buildings; and excludes $ interest on encumbrances.

(e) Includes $ 124,324 accrual of discount less $ 149,574 amortization of premium and less $ paid for accrued interest on purchases.

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

(g) Includes $ 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 $ 137,815 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)	(183,850)	0	(183,850)	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans		0	0	0	0
4.	Real estate	482,071	0	482,071		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	298,221	0	298,221	0	0
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

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

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	3,280,618		7,361	0		0		1,035,986		2,237,271	
2. Deferred and accrued	(70,931)		0	0		0		0		(70,931)	
3. Deferred , accrued and uncollected:											
3.1 Direct	3,209,687		7,361	0		0		1,035,986		2,166,340	
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net (Line 1 + Line 2)	3,209,687	0	7,361	0	0	0	0	1,035,986	0	2,166,340	0
4. Advance	13,814,689		4,145	0		0		10,494,436		3,316,108	
5. Line 3.4 - Line 4	(10,605,002)	0	3,216	0	0	0	0	(9,458,450)	0	(1,149,768)	0
6. Collected during year:											
6.1 Direct	343,511,192		782,498	0		591		145,299,009		197,429,094	
6.2 Reinsurance assumed	0										
6.3 Reinsurance ceded	(378)		(378)	0		0		0		0	
6.4 Net	343,511,570	0	782,876	0	0	591	0	145,299,009	0	197,429,094	0
7. Line 5 + Line 6.4	332,906,568	0	786,092	0	0	591	0	135,840,559	0	196,279,326	0
8. Prior year (uncollected + deferred and accrued - advance)	(468,398)	0	7,449	0	0	0	0	(595,840)	0	119,993	0
9. First year premiums and considerations:											
9.1 Direct	333,374,586		778,264	0		591		136,436,398		196,159,333	
9.2 Reinsurance assumed	0										
9.3 Reinsurance ceded	(378)		(378)	0		0		0		0	
9.4 Net (Line 7 - Line 8)	333,374,964	0	778,642	0	0	591	0	136,436,398	0	196,159,333	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	710,622		26,307	684,315		0		0		0	
10.2 Reinsurance assumed	0										
10.3 Reinsurance ceded	710,622		26,307	684,315		0		0		0	
10.4 Net	0	0	0	0	0	0	0	0	0	0	0
RENEWAL											
11. Uncollected	8,148,756		5,967	0		7,189		7,228,308		907,292	
12. Deferred and accrued	(2,649,848)		0	0		0		(7,951,366)		5,301,518	
13. Deferred, accrued and uncollected:											
13.1 Direct	5,498,909		5,967	0		7,189		(723,058)		6,208,811	
13.2 Reinsurance assumed	0										
13.3 Reinsurance ceded	0										
13.4 Net (Line 11 + Line 12)	5,498,909	0	5,967	0	0	7,189	0	(723,058)	0	6,208,811	0
14. Advance	9,576,168		2,132	0		8,184		8,137,122		1,428,730	
15. Line 13.4 - Line 14	(4,077,259)	0	3,835	0	0	(995)	0	(8,860,180)	0	4,780,081	0
16. Collected during year:											
16.1 Direct	954,180,900		24,236,339	1,113,732		1,002,626		813,891,595		113,936,608	
16.2 Reinsurance assumed	0										
16.3 Reinsurance ceded	25,046,767		23,933,035	1,113,732		0		0		0	
16.4 Net	929,134,133	0	303,304	0	0	1,002,626	0	813,891,595	0	113,936,608	0
17. Line 15 + Line 16.4	925,056,874	0	307,139	0	0	1,001,631	0	805,031,415	0	118,716,689	0
18. Prior year (uncollected + deferred and accrued - advance)	(5,576,724)	0	2,403	0	0	(2,584)	0	(10,211,395)	0	4,634,852	0
19. Renewal premiums and considerations:											
19.1 Direct	955,680,364		24,237,770	1,113,732	0	1,004,214	0	815,242,811	0	114,081,837	
19.2 Reinsurance assumed	0										
19.3 Reinsurance ceded	25,046,767		23,933,035	1,113,732	0	0	0	0	0	0	
19.4 Net (Line 17 - Line 18)	930,633,597	0	304,735	0	0	1,004,214	0	815,242,811	0	114,081,837	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	1,289,765,572	0	25,042,341	1,798,047	0	1,004,805	0	951,679,209	0	310,241,170	0
20.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
20.3 Reinsurance ceded	25,757,011	0	23,958,964	1,798,047	0	0	0	0	0	0	0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	1,264,008,561	0	1,083,377	0	0	1,004,805	0	951,679,209	0	310,241,170	0

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

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums	0										
22. All other	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	0										
23.2 Reinsurance assumed	0										
23.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded	0										
24.2 Reinsurance assumed	0										
24.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	2,751,280		1,981,549	769,731							
25.2 Reinsurance assumed	0										
25.3 Net ceded less assumed	2,751,280	0	1,981,549	769,731	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	2,751,280	0	1,981,549	769,731	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22)	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	2,751,280	0	1,981,549	769,731	0	0	0	0	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	73,302,514		109,659					24,388,446		48,804,409	
28. Single	0										
29. Renewal	14,259,149		915,329	50,055		111,459		9,076,407		4,105,899	
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	87,561,663	0	1,024,988	50,055	0	111,459	0	33,464,853	0	52,910,308	0

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6
	1	Accident and Health		4		
		2	3	All Other Lines of		
	Life	Cost Containment	All Other	Business	Investment	Total
1. Rent	6,254	420,335	4,389,547			4,816,136
2. Salaries and wages	105,540	7,093,086	63,124,540			70,323,166
3.11 Contributions for benefit plans for employees	16,770	1,127,105	10,030,615			11,174,490
3.12 Contributions for benefit plans for agents						0
3.21 Payments to employees under non-funded benefit plans	463	31,142	277,149			308,754
3.22 Payments to agents under non-funded benefit plans						0
3.31 Other employee welfare	339	22,807	202,966			226,112
3.32 Other agent welfare						0
4.1 Legal fees and expenses	1,408	94,596	841,853			937,857
4.2 Medical examination fees	6	414	3,688			4,108
4.3 Inspection report fees		17	155			172
4.4 Fees of public accountants and consulting actuaries	225	15,130	134,645			150,000
4.5 Expense of investigation and settlement of policy claims	684	45,990	121,212			167,886
5.1 Traveling expenses	3,512	236,032	2,100,554			2,340,098
5.2 Advertising	7,324	492,259	4,380,830			4,880,413
5.3 Postage, express, telegraph and telephone	6,169	414,622	3,689,902			4,110,693
5.4 Printing and stationery	1,875	126,045	1,121,733			1,249,653
5.5 Cost or depreciation of furniture and equipment	1,762	118,401	1,053,699			1,173,862
5.6 Rental of equipment	374	25,149	223,808			249,331
5.7 Cost or depreciation of EDP equipment and software	13,986	939,999	8,365,468			9,319,453
6.1 Books and periodicals	111	7,465	66,431			74,007
6.2 Bureau and association fees	202	13,587	120,920			134,709
6.3 Insurance, except on real estate	1,008	67,758	603,009			671,775
6.4 Miscellaneous losses			306,227			306,227
6.5 Collection and bank service charges	634	42,602	4,396,251			4,439,487
6.6 Sundry general expenses	7,019	471,757	4,243,275			4,722,051
6.7 Group service and administration fees	9,065					9,065
6.8 Reimbursements by uninsured plans						0
7.1 Agency expense allowance						0
7.2 Agents' balances charged off (less $ recovered)						0
7.3 Agency conferences other than local meetings						0
9.1 Real estate expenses					702,963	702,963
9.2 Investment expenses not included elsewhere					239,629	239,629
9.3 Aggregate write-ins for expenses	28,148	3,939,021	16,594,922	0	0	20,562,092
10. General expenses incurred	212,878	15,745,319	126,393,399	0	942,592	(a) 143,294,189
11. General expenses unpaid December 31, prior year		269,747	3,449,738		68,508	3,787,993
12. General expenses unpaid December 31, current year		162,278	2,725,637		81,076	2,968,991
13. Amounts receivable relating to uninsured plans, prior year						0
14. Amounts receivable relating to uninsured plans, current year						0
15. General expenses paid during year (Lines 10+11-12-13+14)	212,878	15,852,788	127,117,500	0	930,024	144,113,191
DETAILS OF WRITE-INS						
09.301. Information Technology	637	42,835	381,208			424,680
09.302. Interest	633		111,878			112,511
09.303. Managed Care and Network Access	2,320	2,246,009	1,416,156			3,664,485
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	24,558	1,650,177	14,685,680	0	0	16,360,415
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	28,148	3,939,021	16,594,922	0	0	20,562,092

(a) Includes management fees of $ 131,231,903 to affiliates and $ 0 to non-affiliates.

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

	Insurance			4	5
	1	2	3		
			All Other Lines of		
	Life	Accident and Health	Business	Investment	Total
1. Real estate taxes	359	222,736			223,095
2. State insurance department licenses and fees	(519,202)	26,269,120			25,749,918
3. State taxes on premiums	28,640	17,773,036			17,801,676
4. Other state taxes, including $ for employee benefits		3,809,651			3,809,651
5. U.S. Social Security taxes	7,580	4,703,646			4,711,226
6. All other taxes		(8,042)			(8,042)
7. Taxes, licenses and fees incurred	(482,623)	52,770,147	0	0	52,287,524
8. Taxes, licenses and fees unpaid December 31, prior year		22,608,256			22,608,256
9. Taxes, licenses and fees unpaid December 31, current year		14,153,656			14,153,656
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	(482,623)	61,224,747	0	0	60,742,124

EXHIBIT 4 - DIVIDENDS OR REFUNDS

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

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0100001. A/E CRAIG 3% IS	598		598		0
0100002. A/E CRAIG 3 1/2% NL	946		946		0
0100003. 41 CSO 2 1/2 % NL	4,144		4,144		0
0100004. 41 CSO 3% NL	1,600		1,600		0
0100005. 41 CSO 3% CRVM	116,884		116,884		0
0100006. 41 CSO 3 1/2 % CRVM	5,330		5,330		0
0100007. 58 CSO ALB 3% NL	1,061		1,061		0
0100008. 58 CSO ALB 3% CRVM	1,717,848		1,717,848		0
0100009. 58 CSO ANB 3% NL	0		0		0
0100010. 58 CSO ANB 3 1/2% CRVM	52,467		52,467		0
0100011. 58 CSO ALB 3 1/2% CRVM	115,776		115,776		0
0100012. 58 CSO ALB 4 1/2% CRVM	16,965,112		16,965,112		0
0100013. 58 CSO ALB 4 1/2% NL	396		396		0
0100014. 58 CET ALB 3% NL	426,895		426,895		0
0100015. 58 CET ANB 3 1/2% NL	33,882		33,882		0
0100016. 58 CET ALB 4 1/2% NL	19,929		19,929		0
0100017. 80 CSO CRVM 4.50%	954,980,399		954,980,399		0
0100018. 80 CSO 4 1/2% CRVM	0		0		0
0100019. 80 CSO CRVM 5.00%	2,997,873		2,997,873		0
0100020. 80 CSO CRVM 5.50%	22,901,083		22,901,083		0
0100021. 130% 41 CSO 3% NL	0		0		0
0100022. 130% 41 CSO 3 1/2% NL	0		0		0
0100023. AM MEN 3% NL	0		0		0
0100024. UNEARNED PREMIUM RESERVE	175,240		138,490		36,750
0100025. 58 CSO ANB 3 1/2% LOSS ON INT	0		0		0
0100026. GROUP CONVERSIONS	0		0		0
0100027. 58 CSO SUBSTANDARD LIFE	0		0		0
0100028. 60 CSG 3% NL	0		0		0
0100029. 58 CSO ALB 3% NL GIO	0		0		0
0100030. 80 CSO CRVM 4.00%	189,691,917		189,691,917		0
0100031. 2001 CSO ALB	104,719		104,719		0
0199997. Totals (Gross)	1,190,314,099	0	1,190,277,349	0	36,750
0199998. Reinsurance ceded	1,190,134,805		1,190,134,805		0
0199999. Life Insurance: Totals (Net)	179,295	0	142,545	0	36,750
0200001. 37 STANDARD ANNUITY	0	XXX	0	XXX	0
0200002. 51 GA 3 1/2% PROJ SCALE C	0	XXX	0	XXX	0
0200003. 71 GAM 6%	68,816	XXX	0	XXX	68,816
0200004. 71 IAM 3 1/2%	0	XXX	0	XXX	0
0200005. 71 IAM 4.50%	12,407,148	XXX	12,407,148	XXX	0
0200006. 71 IAM 4.75%	9,868,167	XXX	9,868,167	XXX	0
0200007. 71 IAM 5.00%	7,129,318	XXX	7,129,318	XXX	0
0200008. 71 IAM 5.25%	13,372,197	XXX	13,372,197	XXX	0
0200009. 71 IAM 5.50%	23,660,958	XXX	23,660,958	XXX	0
0200010. 71 IAM 5.75%	14,832,957	XXX	14,832,957	XXX	0
0200011. 71 IAM 6.00%	10,835,019	XXX	10,835,019	XXX	0
0200012. 71 IAM 6.25%	22,374,873	XXX	22,374,873	XXX	0
0200013. 71 IAM 6.50%	5,835,129	XXX	5,835,129	XXX	0
0200014. 71 IAM 6.75%	27,682,445	XXX	27,682,445	XXX	0
0200015. 71 IAM 7.00%	7,238,954	XXX	7,238,954	XXX	0
0200016. 71 IAM 7.25%	5,777,385	XXX	5,777,385	XXX	0
0200017. 71 IAM 8.00%	4,533,895	XXX	4,533,895	XXX	0
0200018. 71 IAM 8.50%	10,226,814	XXX	10,226,814	XXX	0
0200019. 83 IAM 5.25%	6,243,682	XXX	6,243,682	XXX	0
0200020. 83 IAM 5.50%	4,241,065	XXX	4,241,065	XXX	0
0200021. 83 IAM 5.75%	8,472,628	XXX	8,472,628	XXX	0
0200022. 83 IAM 6.00%	1,857,325	XXX	1,857,325	XXX	0
0200023. 83 IAM 6.25%	708,744	XXX	708,744	XXX	0
0200024. A2000 4.50%	57,851,224	XXX	57,851,224	XXX	0
0200025. A2000 4.75%	83,924,357	XXX	83,924,357	XXX	0
0200026. A2000 5.00%	24,365,006	XXX	24,365,006	XXX	0
0200027. A2000 5.50%	19,265,039	XXX	19,265,039	XXX	0
0200028. UNEARNED PREMIUM RESERVE	0	XXX	0	XXX	0
0299997. Totals (Gross)	382,773,145	XXX	382,704,329	XXX	68,816
0299998. Reinsurance ceded	382,773,145	XXX	382,704,329	XXX	68,816
0299999. Annuities: Totals (Net)	0	XXX	0	XXX	0
0300001. 83 IAM 8.25%	0		0		
0300002. 83 IAM 8.00%	0		0		
0300003. 83 IAM 7.75%	0		0		
0300004. 83 IAM 7.25%	0		0		
0300005. 83 IAM 7.00%	222,094		222,094		
0300006. 83 IAM 6.75%	442,020		442,020		
0300007. 83 IAM 6.50%	115,147		115,147		
0300008. 83 IAM 6.25%	81,865		81,865		
0300009. 83 IAM 6.00%	31,318		31,318		
0300010. 83 IAM 5.50%	203,651		203,651		
0300011. 83 IAM 5.25%	185,317		185,317		
0399997. Totals (Gross)	1,281,412	0	1,281,412	0	0
0399998. Reinsurance ceded	1,281,412		1,281,412		
0399999. SCWLC: Totals (Net)	0	0	0	0	0
0400001. 59 ADB WITH 58 CSO 3%	359,951		359,951		
0400002. 52 DB WITH 80 CSO 4 1/2%	0		0		
0499997. Totals (Gross)	359,951	0	359,951	0	0
0499998. Reinsurance ceded	359,951		359,951		
0499999. Accidental Death Benefits: Totals (Net)	0	0	0	0	0
0500001. 52 DB WITH 58 CSO 3%	1,031		1,031		
0500002. 52 DB WITH 80 CSO 4 1/2%	581,112		581,112		
0599997. Totals (Gross)	582,143	0	582,143	0	0
0599998. Reinsurance ceded	582,143		582,143		
0599999. Disability-Active Lives: Totals (Net)	0	0	0	0	0
0600001. 52 DB WITH 58 CSO 3%	191,105		191,105		
0600002. UNREPORTED CLAIMS	0		0		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0600003. 52 DB w/80CSO 4.50%	20,546,541		20,546,541		
0699997. Totals (Gross)	20,737,647	0	20,737,647	0	0
0699998. Reinsurance ceded	20,737,647		20,737,647		
0699999. Disability-Disabled Lives: Totals (Net)	0	0	0	0	0
0700001. Deficiency	1,771,289		1,771,289		
0700002. NDFP	0		0		
0700003. IPC	0		0		
0799997. Totals (Gross)	1,771,289	0	1,771,289	0	0
0799998. Reinsurance ceded	1,771,289		1,771,289		
0799999. Miscellaneous Reserves: Totals (Net)	0	0	0	0	0
9999999. Totals (Net) - Page 3, Line 1	179,295	0	142,545	0	36,750

EXHIBIT 5 - INTERROGATORIES

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

2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [ ] No [X]
2.2 If not, state which kind is issued.
Non-participating
3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [X] No [ ]
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes [ ] No [X]
If so, state:
4.1 Amount of insurance? $
4.2 Amount of reserve? $
4.3 Basis of reserve:

4.4 Basis of regular assessments:

4.5 Basis of special assessments:

4.6 Assessments collected during the year $
5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [ ] No [X]
6.1 If so, state the amount of reserve on such contracts on the basis actually held: $
6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: $
Attach statement of methods employed in their valuation.
7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes [ ] No [X]
7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements $
7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:

7.3 State the amount of reserves established for this business: $
7.4 Identify where the reserves are reported in the blank:

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

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

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

1	Valuation Basis		4
	2	3	Increase in Actuarial Reserve Due to Change
Description of Valuation Class	Changed From	Changed To	
9999999 - Total (Column 4, only)			

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	53,728,790	40,196,057	0	12	0	5,765,816	0	389,403	7,377,502
2. Additional contract reserves (a)	8,608,719	100,573	0	0	709,980	7,063,418	0	0	734,748
3. Additional actuarial reserves-Asset/Liability analysis	0								
4. Reserve for future contingent benefits	0								
5. Reserve for rate credits	0								
6. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
7. Totals (Gross)	62,337,509	40,296,630	0	12	709,980	12,829,234	0	389,403	8,112,250
8. Reinsurance ceded	709,980				709,980				
9. Totals (Net)	61,627,529	40,296,630	0	12	0	12,829,234	0	389,403	8,112,250
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	0								
11. Additional actuarial reserves-Asset/Liability analysis	0								
12. Reserve for future contingent benefits	2,254,659	2,071,664	0	0	0	(27,753)	0	300	210,448
13. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
14. Totals (Gross)	2,254,659	2,071,664	0	0	0	(27,753)	0	300	210,448
15. Reinsurance ceded	0								
16. Totals (Net)	2,254,659	2,071,664	0	0	0	(27,753)	0	300	210,448
17. TOTAL (Net)	63,882,188	42,368,294	0	12	0	12,801,481	0	389,703	8,322,698
18. TABULAR FUND INTEREST	379,169					356,322			22,847
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0	0	0	0
0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0	0	0	0
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0
1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	2,259,483	0	24,606	104,215	2,130,662	0
2. Deposits received during the year	80,099				80,099	
3. Investment earnings credited to the account	61,177		18,417	5,428	37,332	
4. Other net change in reserves	0					
5. Fees and other charges assessed	0					
6. Surrender charges	0					
7. Net surrender or withdrawal payments	648,088		20,556	19,444	608,088	
8. Other net transfers to or (from) Separate Accounts	0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	1,752,671	0	22,467	90,199	1,640,005	0
10. Reinsurance balance at the beginning of the year	(2,259,483)	0	(24,606)	(104,215)	(2,130,662)	0
11. Net change in reinsurance assumed	0					
12. Net change in reinsurance ceded	(506,812)		(2,139)	(14,016)	(490,657)	
13. Reinsurance balance at the end of the year (Lines 10+11-12)	(1,752,671)	0	(22,467)	(90,199)	(1,640,005)	0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	0	0	0	0	0	0

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct	0										
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted 2.11 Direct	0										
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other 2.21 Direct	33,917,215		7,663,610				200,000		20,263,273		5,790,332
2.22 Reinsurance assumed	0										
2.23 Reinsurance ceded	7,663,610		7,663,610				0		0		0
2.24 Net	26,253,605	0	(b) 0	(b) 0	0	(b) 0	(b) 200,000	0	(b) 20,263,273	(b) 0	(b) 5,790,332
3. Incurred but unreported:											
3.1 Direct	106,670,514		2,128,910				327,181		81,053,093		23,161,330
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	1,520,818		1,520,818				0		0		0
3.4 Net	105,149,696	0	(b) 608,092	(b) 0	0	(b) 0	(b) 327,181	0	(b) 81,053,093	(b) 0	(b) 23,161,330
4. TOTALS 4.1 Direct	140,587,729	0	9,792,520	0	0	0	527,181	0	101,316,366	0	28,951,662
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	9,184,428	0	9,184,428	0	0	0	0	0	0	0	0
4.4 Net	131,403,301	(a) 0	(a) 608,092	0	0	0	(a) 527,181	0	101,316,366	0	28,951,662

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

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance $ .... Individual Annuities $ .... , Credit Life (Group and Individual) $ .... , and Group Life $ .... , are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health $ 2,071,664 Credit (Group and Individual) Accident and Health $ .... , and Other Accident and Health $ 182,995 are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements During the Year:											
1.1 Direct	948,260,339		77,635,669	27,432,346	0	0	102,027	0	701,699,977	0	141,390,320
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	105,030,630		77,284,738	27,432,346	0	0	0	0	0	0	313,546
1.4 Net	(d) 843,229,709	0	350,931	0	0	0	102,027	0	701,699,977	0	141,076,774
2. Liability December 31, current year from Part 1:											
2.1 Direct	140,587,729	0	9,792,520	0	0	0	527,181	0	101,316,366	0	28,951,662
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	9,184,428	0	9,184,428	0	0	0	0	0	0	0	0
2.4 Net	131,403,301	0	608,092	0	0	0	527,181	0	101,316,366	0	28,951,662
3. Amounts recoverable from reinsurers December 31, current year	9,273		0	0			0		0		9,273
4. Liability December 31, prior year:											
4.1 Direct	159,077,178	0	9,152,042	0	0	0	515,557	0	128,544,635	0	20,864,944
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	8,832,344	0	8,832,344	0	0	0	0	0	0	0	0
4.4 Net	150,244,834	0	319,698	0	0	0	515,557	0	128,544,635	0	20,864,944
5. Amounts recoverable from reinsurers December 31, prior year	322,819										322,819
6. Incurred Benefits											
6.1 Direct	929,770,890	0	78,276,147	27,432,346	0	0	113,651	0	674,471,708	0	149,477,038
6.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	105,069,168	0	77,636,822	27,432,346	0	0	0	0	0	0	0
6.4 Net	824,701,722	0	639,325	0	0	0	113,651	0	674,471,708	0	149,477,038

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to $ .... in Line 1.1, $ .... in Line 1.4.
$ .... in Line 6.1, and $ .... in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to $ .... in Line 1.1, $ .... in Line 1.4.
$ .... in Line 6.1, and $ .... in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to $ .... in Line 1.1, $ .... in Line 1.4.
$ .... in Line 6.1, and $ .... in Line 6.4.

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

EXHIBIT OF NON-ADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			0
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			0
	2.2 Common stocks			0
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			0
	3.2 Other than first liens			0
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			0
	4.2 Properties held for the production of income			0
	4.3 Properties held for sale			0
5.	Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6.	Contract loans			0
7.	Derivatives (Schedule DB)			0
8.	Other invested assets (Schedule BA)			0
9.	Receivables for securities			0
10.	Securities lending reinvested collateral assets (Schedule DL)			0
11.	Aggregate write-ins for invested assets	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13.	Title plants (for Title insurers only)			0
14.	Investment income due and accrued			0
15.	Premiums and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection	32,567	4,439	(28,128)
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
	15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers			0
	16.2 Funds held by or deposited with reinsured companies			0
	16.3 Other amounts receivable under reinsurance contracts			0
17.	Amounts receivable relating to uninsured plans			0
18.1	Current federal and foreign income tax recoverable and interest thereon			0
18.2	Net deferred tax asset	1,706,081	834,515	(871,566)
19.	Guaranty funds receivable or on deposit			0
20.	Electronic data processing equipment and software			0
21.	Furniture and equipment, including health care delivery assets			0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0
23.	Receivables from parent, subsidiaries and affiliates			0
24.	Health care and other amounts receivable	1,426,326	2,226,297	799,971
25.	Aggregate write-ins for other than invested assets	13,196,675	7,589,953	(5,606,722)
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	16,361,649	10,655,204	(5,706,445)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28.	Total (Lines 26 and 27)	16,361,649	10,655,204	(5,706,445)
	DETAILS OF WRITE-INS			
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.	Advances & Prepaids	13,135,268	7,553,990	(5,581,278)
2502.	Miscellaneous Receivables	61,407	35,963	(25,444)
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	13,196,675	7,589,953	(5,606,722)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Organization and Operation

Golden Rule Insurance Company (the “Company”), licensed as a life, accident, and health insurer, is domiciled in the State of Indiana. The Company is a wholly owned subsidiary of Golden Rule Financial Corporation (GRFC) and its ultimate parent company is UnitedHealth Group Incorporated (“UnitedHealth Group”). UnitedHealth Group is a publicly held company trading on the Indiana Stock Exchange.

The Company was incorporated on June 17, 1959 as a life, accident, and health insurer, and operations commenced on June 23, 1961. The Company is licensed to sell life and accident and health insurance in all states except Indiana. The Company’s accident and health revenues are primarily derived from the sale of individual major medical policies and short-term medical policies. The Company’s life and annuity revenues are primarily derived from term life, whole life, single premium and flexible premium annuities, and long-term care investment products. Effective October 1, 2005, the Company entered into an indemnity reinsurance agreement to reinsure all life and annuity business, excluding group life and term life rider business.

The Company offers comprehensive commercial products to individuals. Each contract outlines the coverage provided and renewal provisions.

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the State of Indiana Department of Insurance (the “Department”).

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

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

	SSAP #	F/S Page #	F/S Line #	2018	2017
Net Income					
(1) Company state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	$ 130,571,366	$ 82,622,564
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(3) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	$ 130,571,366	$ 82,622,564
Capital and Surplus					
(5) Company state basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	$ 242,034,145	$ 198,627,101
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(7) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	$ 242,034,145	$ 198,627,101

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

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to aggregate reserve for life contracts, aggregate reserve for accident and health contracts, contract claims – life, contract claims - accident and health, and disability benefits and benefits under accident and health insurance contracts – net, provision for experience rating refunds, and health care receivables. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

C. Accounting Policy

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

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

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

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

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

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

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

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

(9) The Company holds no derivatives;

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

(11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (the “Agreement”) (see Note 10), the Company pays a management fee to its affiliate, United HealthCare Services, Inc. (“UHS”), in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general insurance expenses to be reported in the statutory basis statements of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2018, is adequate to cover the Company’s cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;

(12) Maintenance and repairs that do not improve or extend the life of the respective assets are expensed in the period incurred and included in general insurance expenses in the statutory basis statements of operations. The Company has not modified its capitalization policy from the prior period.

Properties Occupied by the Company, Properties Held for the Production of Income, Properties Held for Sale, Furniture and Equipment, and Electronic Data Processing Equipment and Software—

The Company has no properties held for the production of income, properties held for sale, furniture and equipment or electronic data processing equipment and software.

The amounts reported for properties occupied by the Company, less encumbrances, is stated at cost less accumulated depreciation. The Company provides for depreciation using the straight-line method over the estimated useful lives of the assets, which is 39 years for properties occupied by the Company, excluding land.

Depreciation expense of $137,815 and $180,346 is included in net investment income in the statutory basis statements of operations for the years ended December 31, 2018 and 2017, respectively.

The components of properties occupied by the Company at December 31, 2018 and 2017, are as follows:

	2018	2017
Properties Occupied by the Company		
Land, buildings, and improvements	$ 5,415,085	$ 7,937,483
Less accumulated depreciation	(3,183,069)	(5,431,973)
Properties occupied by the Company	2,232,016	2,505,510
Less nonadmitted land, buildings, and improvements	-	-
Net admitted properties occupied by the Company	$ 2,232,016	$ 2,505,510

(13) Health care receivables consist of pharmacy rebates receivable estimated based on the most currently available data from the Company’s claims processing systems and from data provided by the Company’s affiliated pharmaceutical benefit manager, OptumRx, Inc. (“OptumRx”). Health care receivables are considered nonadmitted assets under the NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

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

<u>ASSETS</u>

Cash and Invested Assets

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

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

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

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

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

- Cash equivalents include money-market funds and U.S. treasury bills. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Cash equivalents, excluding money-market funds, are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value (“NAV”) as a practical expedient;

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

- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses, except for those transferred to the Interest Maintenance Reserve (“IMR”), are reported as net realized capital losses (excluding gains (losses) transferred to the IMR) less capital gains tax benefit in the statutory basis statements of operations. Transfers to the IMR are net of federal income taxes;

- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company’s investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital losses (excluding gains (losses) transferred to the IMR) less capital gains tax benefit in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company has not recorded any other-than-temporary impairments (“OTTI”) for the years ended December 31, 2018 and 2017;

- The statutory basis statements of cash flows reconcile cash, cash equivalents, and short-term investments, which includes restricted cash reserves, with original maturities of one year or less from the time of acquisition; whereas under GAAP, pursuant to Accounting Standards Update 2016-18*, Statement of Cash Flows, Restricted Cash,* the statements of cash flows reconcile the corresponding captions of cash, cash equivalents and restricted cash with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and statutory reporting. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

- **Other Invested Assets** — Other invested assets include low-income housing tax credit ("LIHTC") investments which are stated at book/adjusted carrying value, which approximates fair value in the statutory basis statements of admitted assets, liabilities and capital and surplus.

Other Assets

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

- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Premiums and considerations also include risk adjustment receivables, as defined in Section 1343 of the ACA. Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. Effective for 2018 benefit plan year, the risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. A risk adjustment receivable is recorded when the Company estimates its average actuarial risk score for policies included in this program is greater than the average actuarial risk scores in that market and state risk pool (see Note 24);

  Premium adjustments for the ACA Section 1343 risk adjustment are accounted for as premium adjustments subject to redetermination (see Note 24).

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

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

- **Guaranty Funds Receivable or on Deposit** – The Company recognizes guaranty funds receivable when it is probable that a paid or accrued assessment will result in an amount that is recoverable from premium tax offsets. The receivable amount is determined based on current laws, projections of future premium collections from in-force policies, and as permitted by the NAIC SAP. In-force policies do not include expected renewals of short-term contracts except in cases when retrospective-premium-based assessments are imposed on short-duration contracts for losses on long-duration contracts. In which case, appropriate renewal rates based on persistency for the in-force short-duration contracts are taken into consideration when recognizing the asset (see Note 14). Any recognized asset from premium tax credits is re-evaluated regularly to ensure recoverability.

- **Receivables from Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts due as receivables from parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **State Income Tax Recoverable** — State income tax recoverable represents amounts that are expected to be recovered as a result of an overpayment of estimated tax carrybacks, or items for which the reporting entity has authority to recover under a state regulation or statute.

LIABILITIES

- **Aggregate Reserve and Contract Claims for Life and Accident and Health Contracts** — The reserves for disability, accidental death, and life insurance are developed by actuarial methods and are determined based on published or established tables, using interest rates less than or equal to statutorily prescribed interest rates, and valuation methods that will provide, in the aggregate, reserves that are greater than or equal to the minimum or guaranteed cash values or the amounts required by the Department. Tabular interest, tabular less actual reserve released, tabular cost, and tabular interest on funds not involving life contingencies are determined by a formula in accordance with the State of Indiana statutes. Contract claims reserves include claims processed but not yet paid, estimates for claims received but not yet processed, and estimates for the costs of health care services enrollees have received, but for which claims have not yet been submitted.

  The estimates for aggregate reserves and incurred but not reported contract claims are developed using actuarial methods based upon historical data for payment patterns, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during the years ended December 31, 2018 and 2017. Adjustments to estimates for aggregate reserve for life and accident and health contracts are reflected in operating results in the period in which the change in estimate is identified.

  Aggregate reserves are based on mortality and interest assumptions prescribed or permitted by state statutes without consideration of withdrawals. Statutory reserves may differ from reserves based on the Company’s estimates of mortality, interest, and withdrawals; receivables on unpaid claims for coinsurance contracts are netted against contract claims for life and accident and health in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, the receivables would be presented as assets.

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

  Aggregate reserve and contract claims for life and accident and health contracts include risk adjustment payables as defined in Section 1343 of the ACA. Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. Effective for 2018 benefit plan year, the risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. A risk adjustment payable is recorded when the Company estimates its average actuarial risk score for policies included in this program is less than the average actuarial risk scores in that market and state risk pool (see Note 24);

- **Unearned Premiums** — The unexpired portion of accident and health insurance premiums received is reported as part of aggregate reserve for accident and health contracts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Liability for Deposit-Type Contracts** — Consideration for annuities and other deposit-type contracts that do not involve any mortality or morbidity risks are recorded as liability for deposit-type contracts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Revenues for these contracts include fees charged to policyholders and net investment income in the statutory basis statements of operations.

- **Premiums for Life and Accident and Health Contracts Received in Advance** — Premiums received in full for the policies processed during the current period, but prior to the commencement of the service period, are recorded as premiums for life and accident and health contracts received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Provision for Experience Rating Refunds** —The Company establishes a liability, net of ceded reinsurance, for estimated accrued retrospective and redetermination premiums due from the Company based on the actuarial method and assumptions for each respective contract. Provision for experience rating refunds also includes estimated rebates payable on the comprehensive commercial products if the medical loss ratios on these fully insured products, as calculated under the definitions of the ACA (see Note 14) and implementing regulations, fall below certain targets. The Company is required to rebate the ratable portions of the premiums annually (see Note 24).

- **Interest Maintenance Reserve and Asset Valuation Reserve** — The Company maintains an IMR) and an asset valuation reserve ("AVR"). The IMR is designed to defer recognition of realized capital gains and losses, due to interest rate changes on fixed-income investments, and to amortize those gains and losses into future investment income over the remaining life of the investments sold. To the extent the deferral of capital losses results in a net asset, such amount will be nonadmitted and excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus. The AVR is designed to address the default and equity risk on the majority of the Company's invested assets. The principal function of the AVR is to reserve for credit losses on fixed-income securities carried at amortized values and for fluctuation in statutory capital and surplus resulting from realized gains and losses and changes in unrealized gains and losses.

  The IMR is determined based on a formula prescribed by the NAIC whereby the Company defers the portion of realized capital gains and losses on sales of fixed-income investments, principally bonds, attributable to changes in the general level of interest rates and amortizes these deferrals over the remaining period to maturity based on groupings of individual securities sold in five year bands, rather than recognize the realized gains and losses currently. Further, the AVR is determined by the NAIC-prescribed formulas and is reported as a liability rather than as a valuation allowance or appropriation of unassigned surplus in the statutory basis financial statements. Under GAAP, realized capital gains and losses are reported in the statements of operations on a pre-tax basis in the period that the asset giving rise to the gain or loss is sold and calculation of allowances are provided where there has been a decline in value deemed other-than-temporary, in which case, the provision for such decline is charged to earnings.

- **Commissions to Agents Due or Accrued** — Commissions that are due as of the reporting date that have been incurred but not yet paid are reported as commissions to agents due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

- **Taxes, Licenses, and Fees Due or Accrued, Excluding Federal Income Taxes ("TL&F")** — TL&F represents insurance assessments, state taxes on premium and income and state insurance department licenses and fees. TL&F is recognized when incurred. Taxes, licenses and fees that are due as of the reporting date in addition to taxes, licenses, and fees that have been incurred but are not due until a subsequent period are reported as TL&F in the statutory basis statements of admitted assets, liabilities, and capital and surplus. TL&F also includes the unpaid portion of the contributions required under the ACA risk adjustment and reinsurance programs (see Note 24).

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

- **Drafts Outstanding** — Drafts outstanding represent a legal offer to settle outstanding claims with the claimant.

- **Payable for Securities** — The Company reports payable for securities when investments are traded at the end of an accounting period for which the settlement does not occur until the following month in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

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

- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of $4,269,898 and $4,330,295 as of December 31, 2018 and 2017, respectively, in compliance with the various states requirements for qualification purposes as a domestic and foreign insurer. These restricted cash reserves consist principally of government obligations and are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds and short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.

- **Minimum Capital and Surplus** — Under the laws of the State of Indiana, the Company's domiciliary state, the Department requires the Company to maintain a minimum capital and surplus equal to $450,000.

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

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

  The Company has $242,034,145 and $198,627,101 in total statutory basis capital and surplus as of December 31, 2018 and 2017, respectively, which is in compliance with the required amounts where it is licensed to do business.

- **Section 9010 ACA subsequent fee year assessment** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under the NAIC SAP, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required. In accordance with the 2019 Health Insurer Fee ("HIF") moratorium, no HIF will be payable in 2019, therefore no amounts were apportioned out of unassigned surplus in the 2018 statutory basis statements of admitted assets, liabilities, and capital and surplus.

<u>STATEMENTS OF OPERATIONS</u>

- **Premiums for Life and Accident and Health Contracts—Net** — Premiums for life and accident and health contracts—net are recognized in the period in which enrollees are entitled to receive services and are shown net of reinsurance premiums paid and reinsurance premiums incurred but not paid in the statutory basis statements of operations. The corresponding change in unearned premium from year to year is reflected as an increase (decrease) in aggregate reserves for life and accident and health contracts in the statutory basis statements of operations. Under GAAP, the change in unearned premium from year to year on the accident and health insurance premiums is reported through premium income.

  Comprehensive commercial health plans with medical loss ratios on fully insured products, as calculated under the definitions in the ACA (see Note 14) and implementing regulations, that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as premiums for life and accident and health contracts—net in the statutory basis statements of operations.

  Pursuant to Section 1343 of the ACA, the Company records premium adjustments for changes to the risk adjustment balances which are reflected in premiums for life and accident and health contracts—net in the statutory basis statements of operations.

  Premium receipts and benefits on universal life-type contracts are recorded as premiums for life and accident and health contracts and death benefits—net within the statutory basis statements of operations. Under GAAP, revenues on universal life-type contracts are comprised of contract charges and fees, which are recognized when assessed against the policyholder account balance. Additionally, premium receipts on universal life-type contracts are considered deposits and are recorded as interest-bearing liabilities, while benefits are recognized as expenses in excess of the policyholder account balance.

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

- **Commissions and Expense Allowances on Reinsurance Ceded** — Commissions and expense allowances on reinsurance ceded primarily represents the amortization of the ceding commission on the sale of the life and annuity business in 2005. Commissions and expense allowances on reinsurance ceded are included in commissions and expense allowances on reinsurance ceded in the statutory basis statements of operations.

- **Miscellaneous Income** — Miscellaneous income consists primarily of fees received for the administration of health contracts.

- **Death Benefits, Disability Benefits and Benefits under Accident and Health Contracts, and Increase in Aggregate Reserves for Life and Accident and Health Contracts** — Death benefits and changes in aggregate reserves for life contracts includes life claims paid, life claims processed but not yet paid, estimates for life claims received but not yet processed, estimates for life claims where the death has occurred but for which a claim has not been submitted and changes in contract and policy reserves. Disability benefits and benefits under accident and health contracts and changes in aggregate reserves for accident and health contracts include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, payments and liabilities for physician, hospital, and other medical costs disputes, estimates for payments not yet due on incurred claims and changes in contract and policy reserves.

- **Commissions on Premiums** — Commissions on premiums represent commission expense for external brokers and agents. Expense is recorded when incurred based upon the contract period.

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

- **Insurance Taxes, Licenses and Fees, Excluding Federal Income Taxes ("Insurance TL&F")** — Insurance TL&F represents insurance assessments, state taxes on premium and income and state insurance department licenses and fees. Insurance TL&F is recognized when incurred. The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity's annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014, which is nondeductible for tax purposes. Under the NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in insurance TL&F in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year.

- **Federal Income Taxes Incurred** — The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 21% in 2018 and 35% in 2017 to net income before federal income taxes and net realized capital losses subject to certain adjustments (see Note 9).

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

REINSURANCE

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

- **Other Amounts Receivable Under Reinsurance Contracts** — Other amounts receivable under reinsurance contracts includes a receivable from The State Life Insurance Company for premium taxes due on the life and annuity business ceded under a 100% indemnity reinsurance contract (see Note 23).

- **Section 1341 ACA Transitional Reinsurance** — The Company has established a receivable of $9,273 and $322,819 as of December 31, 2018 and 2017, respectively, pursuant to Section 1341 of the ACA which is included in amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus, for the transitional reinsurance program. This program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations (see Note 24).

OTHER

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business. The Company believes it has mitigated exposure from concentrations through the diversity of its distribution channels. While the product distribution and distribution channels are diversified, the Company may have some exposure due to geographic concentrations of individual health business. The Company's three largest states by premium collected are Florida, Texas and Arizona with a combined 35% of the accident and health premium in 2018 and 2017. As with all lines of business, this business is subject to normal claims fluctuations and environmental issues.

  The Company has no commercial customers that individually exceed 10% of total direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, for the years ended December 31, 2018 and 2017.

- **Recently Issued Accounting Standards** — The Company reviewed all other recently issued guidance in 2018 and 2017 that has been adopted for 2018 or subsequent years' implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

D. Going Concern

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

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles or correction of errors have been recorded during the year ended December 31, 2018.

In March 2017, the Company adopted the revised accounting and disclosure requirements of Statement of Statutory Accounting Principles ("SSAP") No. 35R, *Guaranty Fund and Other Assessments* ("SSAP No. 35R"). As a result of this adoption, in 2017 the Company recorded the net difference between the undiscounted and discounted guaranty association assessment liability and associated premium tax credit asset, net of tax, as a change in accounting principle, net of tax, in the statutory basis statements of changes in capital and surplus. This change is reported as a non-cash transaction in the statutory basis statements of cash flows.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2018 and 2017, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

The Company did not discontinue any operations during 2018 or 2017; however, effective January 1, 2018, the Company did make the decision to exit the ACA individual off-exchange market. The 2017 ACA individual off-exchange revenue represented approximately 1% of total direct premiums written as of December 31, 2017.

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

(1–4) The Company did not have any discontinued operations disposed of or classified as held for sale during 2018 and 2017.

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

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

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

5. INVESTMENTS AND OTHER INVESTED ASSETS

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were $5,614 and $189,464, respectively, for 2018 and $412,098 and $270,651, respectively, for 2017. The gross realized gains and losses on sales of short-term investments were $0 for both 2018 and 2017. The net realized gain is included in net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax (benefit) in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were $29,625,019 and $47,304,369 and for short-term investments, were $631,661,497 and $884,501,921 in 2018 and 2017, respectively.

As of December 31, 2018 and 2017, the book/adjusted carrying value, fair value, and gross unrecognized unrealized gains and losses of the Company's investments, excluding cash and cash equivalents of $9,430,631 and $7,991,865, respectively, are as follows:

	2018				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 85,340,887	$ 542,488	$ 64,570	$ 2,789,488	$ 83,029,317
State and agency municipal securities	58,335,648	464,362	4,448	337,937	58,457,625
City and county municipal securities	53,240,243	523,359	41,549	342,803	53,379,250
Corporate debt securities (includes commercial paper)	249,905,416	125,373	974,370	1,312,583	247,743,836
Other invested assets	11,616,984	-	-	-	11,616,984
Total bonds, short-term investments, and other invested assets	$ 458,439,178	$ 1,655,582	$ 1,084,937	$ 4,782,811	$ 454,227,012

	2018				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value
Less than one year	$ 107,027,831	$ 18,569	$ 31,973	$ 38,134	$ 106,976,293
One to five years	192,801,366	335,075	397,255	1,152,439	191,586,747
Five to ten years	122,131,821	1,013,279	609,330	2,387,351	120,148,419
Over ten years	36,478,160	288,659	46,379	1,204,887	35,515,553
Total bonds, short-term investments, and other invested assets	$ 458,439,178	$ 1,655,582	$ 1,084,937	$ 4,782,811	$ 454,227,012

	2017				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 81,157,844	$ 553,654	$ 149,257	$ 1,960,901	$ 79,601,340
State and agency municipal securities	79,868,432	851,997	222,778	103,218	80,394,433
City and county municipal securities	64,515,779	478,385	242,515	115,234	64,636,415
Corporate debt securities (includes commercial paper)	171,733,699	480,036	270,290	339,045	171,604,400
Other invested assets	13,551,364	-	-	-	13,551,364
Total bonds, short-term investments, and other invested assets	$ 410,827,118	$ 2,364,072	$ 884,840	$ 2,518,398	$ 409,787,952

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at a book/adjusted carrying value of $32,978,037 and fair value of $31,808,113.

The following table illustrates the fair value and gross unrecognized unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrecognized unrealized loss position as of December 31, 2018 and 2017:

	2018					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	$ 10,773,224	$ (64,570)	$ 54,392,411	$ (2,789,488)	$ 65,165,635	$ (2,854,058)
State and agency municipal securities	2,137,270	(4,448)	23,597,443	(337,937)	25,734,713	(342,385)
City and county municipal securities	11,054,930	(41,549)	15,276,361	(342,803)	26,331,291	(384,352)
Corporate debt securities (includes commercial paper)	105,071,922	(974,370)	50,077,186	(1,312,583)	155,149,108	(2,286,953)
Total bonds and short-term investments	$ 129,037,346	$ (1,084,937)	$ 143,343,401	$ (4,782,811)	$ 272,380,747	$ (5,867,748)

	2017					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	$ 18,809,897	$ (149,257)	$ 53,778,256	$ (1,960,901)	$ 72,588,153	$ (2,110,158)
State and agency municipal securities	33,583,922	(222,778)	3,599,610	(103,218)	37,183,532	(325,996)
City and county municipal securities	22,082,212	(242,515)	6,178,098	(115,234)	28,260,310	(357,749)
Corporate debt securities (includes commercial paper)	80,004,481	(270,290)	11,768,875	(339,045)	91,773,356	(609,335)
Total bonds and short-term investments	$ 154,480,512	$ (884,840)	$ 75,324,839	$ (2,518,398)	$ 229,805,351	$ (3,403,238)

The unrecognized unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2018 and 2017, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipal, local agency, and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, no OTTIs were recorded by the Company as of December 31, 2018 and 2017, respectively, which are included in net realized capital losses (excluding gains (losses) transferred to the IMR) less capital gains tax (benefit) in the statutory basis statements of operations.

The Company is an investment member in the USB LIHTC Fund (see Note 5K). The amount associated with this investment is included in other invested assets in the statutory basis statements of admitted assets, liabilities and capital and surplus.

Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax (benefit) net of federal income taxes incurred (benefit) and amounts transferred to the IMR as of December 31, 2018 and 2017, are as follows:

	2018	2017
Realized capital losses—net of related taxes of $(83,475) and $52,241 in 2018 and 2017, respectively	$ 381,696	$ 89,206
Less amount transferred to IMR—net of related taxes of $(38,609) and $49,506 in 2018 and 2017, respectively	145,242	(91,941)
Net realized capital losses—net of tax and amounts transferred to IMR	$ 526,938	$ (2,735)

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

D. Loan- Backed Securities

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

(2) The Company did not recognize any OTTIs on loan-backed securities as of December 31, 2018 and 2017.

(3) The Company did not have any loan-backed securities with OTTIs to report by CUSIP as of December 31, 2018 or 2017.

(4) The following table illustrates the fair value, gross unrecognized unrealized losses, and length of time that the loan-backed securities have been in a continuous unrecognized unrealized loss position as of December 31, 2018 and 2017:

	2018
The aggregate amount of unrealized losses:	
1. Less than 12 months	$ 103,254
2. 12 months or longer	1,386,753
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	31,987,568
2. 12 months or longer	49,738,409

	2017
The aggregate amount of unrealized losses:	
1. Less than 12 months	$ 172,844
2. 12 months or longer	586,237
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	38,078,199
2. 12 months or longer	25,355,468

(5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrecognized unrealized losses as of December 31, 2018 and 2017 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

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

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

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

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

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

J. **Real Estate** — Not applicable.

K. **Low-Income Housing Tax Credits (“LIHTC”)** —

(1–7) LIHTC investments of $11,616,984 and $13,551,364 as of December 31, 2018 and 2017, respectively, are included in other invested assets in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company also has a corresponding liability of $0 and $2,421,604 as of December 31, 2018 and 2017, respectively, which represents the future capital contributions that will be required as long as the asset is performing based on the agreed upon terms. The number of remaining years of unexpired tax credits is five, and the required holding period for the LIHTC investments is eleven. The LIHTC investments are not currently subject to any regulatory reviews. The Company did not recognize any impairment losses, write-downs, or reclassifications during 2018 or 2017.

L. **Restricted Assets** — Not applicable.

(1) Restricted assets, including pledged securities as of December 31, 2018 and 2017, are presented below:

	Gross (Admitted & Nonadmitted) Restricted									Percentage	
	Current Year										
	1	2	3	4	5	6	7	8	9	10	11
Restricted Asset Category	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 Plus 3)	Total from Prior Year	Increase/ (Decrease) (5 Minus 6)	tal Nonadmitt Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0 %	0 %
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	0 %	0 %
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	0 %	0 %
i. FHLB capital stock	-	-	-	-	-	-	-	-	-	0 %	0 %
j. On deposit with states	4,269,898	-	-	-	4,269,898	4,330,295	(60,397)	-	4,269,898	0.8 %	0.8 %
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	0 %	0 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0 %	0 %
m Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	0 %	0 %
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0 %	0 %
o. Total restricted assets	$ 4,269,898	$ -	$ -	$ -	$ 4,269,898	$ 4,330,295	$ (60,397)	$ -	$ 4,269,898	0.8 %	0.8 %

(a) Subset of column 1
(b) Subset of column 3
(c) Column 5 divided by Asset Page, Column 1, Line 28
(d) Column 9 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2018 or 2017.

M. Working Capital Finance Investments — Not applicable.

N. Offsetting and Netting of Assets and Liabilities

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

O. Structured Notes

The Company does not have any structured notes.

P. 5GI Securities

The Company does not have any investments with an NAIC designation of 5GI as of December 31, 2018 and 2017.

Q. Short Sales — Not applicable.

R. Prepayment Penalty and Acceleration Fees — Not applicable.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

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

7. INVESTMENT INCOME

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

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

8. DERIVATIVE INSTRUMENTS

A–H. The Company has no derivative instruments.

9. INCOME TAXES

The Tax Cuts and Jobs Act ("Tax Reform") enacted by the U.S. federal government in December 2017 changed the existing United States tax law including reducing the U.S. corporate income tax rate from 35% in 2017 to 21% beginning in 2018. The Company accounted for the impacts of Tax Reform and as of December 31, 2017, remeasured its deferred tax assets/(liabilities) at the 21% enacted tax rate.

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2018 and 2017, are as follows:

	2018			2017			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	17,206,235	13,927	$ 17,220,162	13,452,356	18,070	$ 13,470,426	$ 3,753,879	$ (4,143)	$ 3,749,736
(b) Statutory valuation allowance adjustments	-	13,927	13,927	-	18,070	18,070	-	(4,143)	(4,143)
(c) Adjusted gross deferred tax assets (1a - 1b)	17,206,235	-	17,206,235	13,452,356	-	13,452,356	3,753,879	-	3,753,879
(d) Deferred tax assets nonadmitted	1,706,081	-	1,706,081	834,515	-	834,515	871,566	-	871,566
(e) Subtotal net admitted deferred tax asset (1c - 1d)	15,500,154	-	15,500,154	12,617,841	-	12,617,841	2,882,313	-	2,882,313
(f) Deferred tax liabilities	2,225,374	-	2,225,374	774,521	-	774,521	1,450,853	-	1,450,853
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	$ 13,274,780	$ -	$ 13,274,780	$ 11,843,320	$ -	$ 11,843,320	$ 1,431,460	$ -	$ 1,431,460

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

	2018			2017			Change		
Admission Calculation Components SSAP No. 101	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$13,274,780	$ -	$13,274,780	$11,843,320	$ -	$11,843,320	$1,431,460	$ -	$1,431,460
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	34,531,897	XXX	XXX	28,241,302	XXX	XXX	6,290,595
(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	2,225,374	-	2,225,374	774,521	-	774,521	1,450,853	-	1,450,853
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	$15,500,154	$ -	$15,500,154	$12,617,841	$ -	$12,617,841	$2,882,313	$ -	$2,882,313

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

	2018	2017
(a) Ratio percentage used to determine recovery period and threshold limitation amount	532 %	390 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	$ 230,212,646	$ 188,275,349

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2018 and 2017, is presented below:

Impact of Tax-Planning Strategies	2018 1 Ordinary	2018 2 Total	2017 3 Ordinary	2017 4 Total	Change 5 (Col 1 - 3) Ordinary	Change 6 (Col 2 - 4) Total
(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)	$ 17,206,235	$ 17,206,235	$ 13,452,356	$ 13,452,356	$ 3,753,879	$ 3,753,879
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	$ 15,500,154	$ 15,500,154	$ 12,617,841	$ 12,617,841	$ 2,882,313	$ 2,882,313
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
(b) Does the Company's tax-planning strategies include the use of reinsurance?			Yes		No	X

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2018 and 2017.

C. Significant Components of Income Taxes

(1) The current federal and foreign income taxes incurred for the years ended December 31, 2018 and 2017 are as follows:

	1 2018	2 2017	3 (Col 1 - 2) Change
1. Current income tax			
(a) Federal	$ 39,172,246	$ 41,080,662	$ (1,908,416)
(b) Foreign	-	-	-
(c) Subtotal	39,172,246	41,080,662	(1,908,416)
(d) Federal income tax on net capital losses	(83,475)	52,241	(135,716)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	$ 39,088,771	$ 41,132,903	$ (2,044,132)

(2–4) The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2018 and 2017, are as follows:

	1 2018	2 2017	3 (Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	$ 1,402,823	$ 671,191	$ 731,632
(2) Unearned premium reserve	3,239,024	2,620,991	618,033
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	11,317,863	8,810,686	2,507,177
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	125,820	(125,820)
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables—nonadmitted	319,263	476,007	(156,744)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	927,262	747,661	179,601
(99) Subtotal	17,206,235	13,452,356	3,753,879
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	1,706,081	834,515	871,566
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	15,500,154	12,617,841	2,882,313
(e) Capital:			
(1) Investments	13,927	18,070	(4,143)
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	13,927	18,070	(4,143)
(f) Statutory valuation allowance adjustment	13,927	18,070	(4,143)
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	15,500,154	12,617,841	2,882,313
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	42,394	21,252	21,142
(2) Fixed assets	36,187	-	36,187
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	2,146,793	753,269	1,393,524
(99) Subtotal	2,225,374	774,521	1,450,853
(b) Capital:			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities	-	-	-
(99) Subtotal	-	-	-
(c) Deferred tax liabilities (3a99 + 3b99)	2,225,374	774,521	1,450,853
4 Net deferred tax assets/liabilities (2i - 3c)	$ 13,274,780	$ 11,843,320	$ 1,431,460

The other ordinary deferred tax asset of $927,262 for 2018 consists of general expenses due and accrued of $36,084, prepaid expenses of $5,343, and LIHTC of $891,178. The other ordinary deferred tax asset of $747,661 for 2017 consists of general expenses due and accrued of $44,268, and LIHTC of $703,393.

The other ordinary deferred tax liability of $2,146,793 for 2018 consists of discounting of unpaid losses of $664,480 and guaranteed fund assessments of $1,482,313. The other ordinary deferred tax liability $753,269 for 2017 consists of guaranteed fund assessments.

The Company’s measurement of the income tax effects on Tax Reform for the year ended December 31, 2017 was reasonably estimated. The Company has completed the accounting for the income tax effects of Tax Reform by the end of the measurement period in 2018.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of $13,927 and $18,070 to reduce the gross deferred tax asset to $17,206,235 and $13,452,356 as of December 31, 2018 and 2017, respectively, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses and/or expectations for future taxable income.

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 21% in 2018 and 35% in 2017 to net income before federal income taxes incurred, less capital gains tax (benefit). A summarization of the significant items causing this difference as of December 31, 2018 and 2017 is as follows:

	2018		2017	
	Amount	**Effective Tax Rate**	**Amount**	**Effective Tax Rate**
Tax provision at the federal statutory rate	$ 35,636,737	21.0%	$ 43,297,086	35.0%
Capital gains	(38,609)	(0.0)%	$ 49,506	0.0%
Total income tax	35,598,128	21.0%	43,346,592	35.0%
Tax-exempt interest	(390,991)	(0.2)%	(871,533)	(0.7)%
Health insurer fee	5,442,704	3.2%	-	0.0%
Current year tax credit	(2,109,627)	(1.2)%	(2,109,627)	(1.7)%
Other current year items	(735,001)	(0.4)%	(82,539)	(0.1)%
Tax effect of nonadmitted assets	(1,015,325)	(0.6)%	737,312	0.6%
Change in tax law	-	0.0%	8,463,937	6.8%
Change in statutory valuation allowance	(4,143)	(0.0)%	(12,947)	(0.0)%
Total statutory income taxes	$ 36,785,745	21.7%	$ 49,471,195	39.9%
Federal income taxes incurred	$ 39,172,246	23.1%	$ 41,080,662	33.2%
Capital gains tax	$ (83,475)	(0.0)%	$ 52,241	0.0%
Change in net deferred income tax	$ (2,303,026)	(1.4)%	$ 8,338,292	6.7%
Total statutory income taxes	$ 36,785,745	21.7%	$ 49,471,195	39.9%

E. At December 31, 2018, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable of $10,528,229 and $32,001,619 as of December 31, 2018 and 2017, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds, were $17,615,381 and $40,232,621 in 2018 and 2017, respectively.

Federal income taxes incurred of $39,088,771 and $43,148,381 for 2018 and 2017, respectively, are available for recoupment in the event of future net losses.

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

F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y—Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group’s consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group’s 2017 and 2018 tax returns are under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2012 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

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

H. **Repatriation Transition Tax** — Not applicable.

I. **Alternative Minimum Tax Credit** — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–O. Material Related Party Transactions

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

Pursuant to the terms of a management agreement (the “Agreement”), UHS will provide management services to the Company under a fee structure, which is based on a percentage of premium charges representing UHS’ expenses for services or use of assets provided to the Company. In addition, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a per member per month (“PMPM”) basis (where the charges incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services may include, but are not limited to, utilization management, network management and operations for medical, behavioral health, pharmacy benefit management, transplant services and discount program services. The amount and types of services provided pursuant to the pass-through provision of the Agreement can change year over year as UHS becomes the contracting entity for services provided to the Company’s members. Total administrative services and access fees under this arrangement totaled $131,315,517 and $144,996,208 in 2018 and 2017, respectively, and are included in disability benefits and benefits under accident and health contracts — net, general insurance expenses and insurance TL&F in the statutory basis statements of operations. Direct expenses not covered under the Agreement, such as Department exam and licensing fees and ACA assessments are paid by UHS on behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

In the ordinary course of business, the Company also directly contracts with related parties to provide services that are routine in nature to its members. The administrative services, access fees, and cost of care services provided are calculated using a PMPM, per employee per month (“PEPM”), per claim or a combination thereof. These amounts are included in disability benefits and benefits under accident and health contracts — net, general insurance expenses and insurance TL&F in the statutory basis statements of operations.

The following table identifies the amounts for the administrative services, access fees, and cost of care services provided by related parties for the years ended December 31, 2018 and 2017, which meet the disclosure requirements pursuant to SSAP No. 25, *Affiliates and Other Related Parties* (“SSAP No. 25”), regardless of the effective date of the contract:

		2018		**2017**
OptumRx	$	39,377,231	$	41,565,283
Dental Benefit Providers, Inc.		3,921,262		3,253,810

OptumRx provides administrative services related to pharmacy management and pharmacy claims processing for its enrollees, pharmacy incentive services, specialty drug pharmacy services, durable medical equipment services including orthotics and prosthetics and personal health products catalogues showing the healthcare products and benefit credits enrollees needed to redeem the respective products.

Dental Benefit Providers, Inc. manages a network of dental providers to provide dental services, claims processing and other administrative functions.

The Company holds a $150,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was renewed effective July 1, 2018. No amounts were outstanding under the line of credit as of December 31, 2018 and 2017. The total amount of interest paid or still accrued on all borrowings throughout the year was $0 and $68,109 as of December 31, 2018 and 2017, respectively.

In addition to the agreements above, UHS maintains a private short-term investment pool in which affiliated companies may participate (see Note 1). At December 31, 2018 and 2017, the Company’s portion was $59,451,535 and $16,138,494, respectively, and is included in short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

The Company paid dividends of $82,000,000 and $60,000,000 in 2018 and 2017, respectively, to its parent (see Note 13).

At December 31, 2018 and 2017, the Company reported $1,487,932 and $5,225,379, respectively, as receivables from parent, subsidiaries and affiliates, net which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

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

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

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

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

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

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

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

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

11. DEBT

A–B. The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2018 and 2017.

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

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

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

(1–2) The Company has 1,000,000 shares authorized and 815,676 shares issued and outstanding of $4 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company’s parent, GRFC.

(3) The maximum amount of dividends which can be paid by insurance companies which are regulated under the State of Indiana holding company statutes without prior approval of the Department is restricted to the greater of statutory basis net gain from operations (before realized gains (losses)) for the preceding year or 10% of statutory policyholder surplus at the end of the preceding year. The maximum dividend allowable in 2019 without prior approval of the Department is $130,044,428.

(4) The Company paid ordinary cash dividends to GRFC of $40,000,000 on June 25, 2018 and $42,000,000 on December 13, 2018 which required no approval and were recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

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

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

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

(9) For the year ended December 31, 2017, the amount of the estimated Section 9010 ACA subsequent fee year assessment apportioned out of unassigned surplus was $27,341,278. As discussed in Note 1, in 2018 no amount was required to be apportioned out of unassigned surplus for the Section 9010 ACA subsequent fee year assessment.

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

	2018	2017	Change
Net deferred income taxes	$ 14,980,861	$ 12,677,835	$ 2,303,026
Nonadmitted assets	(16,361,648)	(10,655,203)	(5,706,445)
Asset valuation reserve	(1,453,281)	(1,491,568)	38,287
Surplus due to reinsurance	8,546,155	10,345,345	(1,799,190)
Total	$ 5,712,087	$ 10,876,409	$ (5,164,322)

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

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

(1) A liability for guaranty fund assessments is accrued after the insolvency has occurred. A liability for other assessments is accrued based upon historical trends. A liability for guaranty fund and other assessments of $4,233,901 and $16,921,599 and an asset for related premium tax offsets of $5,803,039 and $5,131,314 are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2018 and 2017, respectively. The Company incurred assessment expense of $(1,258,989) and $(5,921,513) for 2018 and 2017, respectively, which are included in insurance TL&F in the statutory basis statements of operations. The Company takes credits on its premium tax returns based upon pre-determined guidance from the assessing state.

(2) Assets recognized from paid and accrued premium tax offsets and policy surcharges are presented below:

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$ 5,131,314
b. Decreases current year:	
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	12,520,956
c. Increases current year:	
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	13,192,681
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$ 5,803,039

(3) Under state guaranty association laws, certain insurance companies can be assessed (up to prescribed limits) for certain obligations to the policyholders and claimants of impaired or insolvent insurance companies that write the same line or similar lines of business. On March 1, 2017, the Commonwealth of Pennsylvania Court entered the written liquidation orders regarding Penn Treaty Network America Insurance Company and its subsidiary ("Penn Treaty"). As of December 31, 2018 and 2017, the Company has recorded $5,465,496 and $9,840,178, respectively, for its estimated share of the guaranty association assessment liability and $2,688,716 and $2,761,865, respectively, for its associated premium tax credit asset resulting from the Penn Treaty liquidation, which is included in TL&F and guaranty funds receivable or on deposit, respectively, in the statutory basis financial statements. As of December 31, 2017, pursuant to the adoption of the revised accounting and disclosure requirements of SSAP No. 35R (see Note 1), the net difference between the undiscounted and discounted amounts established for the guaranty association assessment liability and associated premium tax credit asset, net of tax is $7,517,048 which is included as a change in accounting principle, net of tax, in the statutory basis statements of changes in capital and surplus (see Note 2). While the ultimate payment timing and associated recovery is currently unknown, the Company initially anticipated that the majority of the assessments would be paid within five years.

Management of the Company has subsequently learned that some states have opted to defer the funding to later years and while this impacts the aggregation tables, it does not have a significant financial impact on the guaranty association assessment liability and related expense or the associated premium tax credit asset.

As of December 31, 2018, assessments from insolvencies is presented below:

a. Discount Rate Applied 3.5%

b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency;

	Guaranty Fund Assessment		Related Assets	
Name of the Insolvency	**Undiscounted**	**Discounted**	**Undiscounted**	**Discounted**
Penn Treaty	$ 10,442,292	$ 5,465,496	$ 3,483,119	$ 2,688,716

c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years of the Discounting Time Period for Payables and Recoverables by Insolvency;

	Payables			Recoverables		
Name of the Insolvency	**Number of Jurisdictions**	**Range of Years**	**Weighted Average of Number of Years**	**Number of Jurisdictions**	**Range of Years**	**Weighted Average of Number of Years**
Penn Treaty	28	1-49	30	39	2-25	11

C. Gain Contingencies

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

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

E. Joint and Several Liabilities — Not applicable.

F. All Other Contingencies

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

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

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

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

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

There are no assets that the Company considers to be impaired at December 31, 2018 and 2017, except as disclosed in Note 5 and Note 20.

15. LEASES

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

In 2018 and 2017, the amount of imputed rent relating to the Company's occupancy of its own buildings, which is included in both net investment income and general insurance expenses in the statutory basis statements of operations, was $1,351,765 and $1,349,978, respectively.

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

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

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

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

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

A–C. The Company does not have any uninsured or partially insured accident and health plans.

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

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2018 and 2017.

20. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

A. Fair Value

(1) Fair Value Measurements at Reporting Date

The Company does not have any financial assets that are measured and reported at fair value in the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2018 and 2017. However, the Company does consider its investments in LIHTC investments as a Level 3 investment even though no market valuation was required as of December 31, 2018 and 2017. As there is no readily available market, these securities are recorded at book/adjusted carrying value and considered held to maturity as they will not be sold.

(2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.

The Company does consider its investments in LIHTC investments as a Level 3 investment as there is no readily available market. As a result these investments are recorded and reported at book value of $11,616,984 and $13,551,364 as of December 31, 2018 and 2017.

(3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2018 or 2017.

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

LIHTC Investments — The Company does consider its investments in LIHTC investments as a Level 3 investment even though no market valuation adjustment was required as of December 31, 2018 and 2017. As there is no readily available market, these securities are recorded and reported at book/adjusted carrying value and considered held to maturity as they will not be sold. Should any contractual breakage occur that jeopardizes the ability to receive the tax credits associated with these securities, impairments will be recognized. As of December 31, 2018, all of these investments are performing in accordance with their original contract terms.

(5) The Company has no derivative assets and liabilities to disclose.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2018 and 2017 is presented in the table below:

	2018						
Types of Financial Investment	**Aggregate Fair Value**	**Admitted Assets**	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Net Asset Value (NAV)**	**Not Practicable (Carrying Value)**
U.S. government and agency securities	$ 83,029,317	$ 85,340,887	$ 49,872,214	$ 33,157,103	$ -	$ -	$ -
State and agency municipal securities	58,457,626	58,335,648	-	58,457,626	-	-	-
City and county municipal securities	53,379,250	53,240,243	-	53,379,250	-	-	-
Corporate debt securities (includes commercial paper)	247,743,836	249,905,416	59,451,536	188,292,300	-	-	-
Other invested assets	11,616,984	11,616,984	-	-	11,616,984	-	-
Total bonds, short-term investments, and other invested assets	$ 454,227,013	$ 458,439,178	$ 109,323,750	$ 333,286,279	$ 11,616,984	$ -	$ -

	2017						
Types of Financial Investment	**Aggregate Fair Value**	**Admitted Assets**	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Net Asset Value (NAV)**	**Not Practicable (Carrying Value)**
U.S. government and agency securities	$ 79,601,340	$ 81,157,844	$ 42,502,523	$ 37,098,817	$ -	$ -	$ -
State and agency municipal securities	80,394,433	79,868,432	-	80,394,433	-	-	-
City and county municipal securities	64,636,415	64,515,779	-	64,636,415	-	-	-
Corporate debt securities (includes commercial paper)	171,604,400	171,733,699	16,138,494	155,465,906	-	-	-
Other invested assets	13,551,364	13,551,364	-	-	13,551,364	-	-
Total bonds, short-term investments, and other invested assets	$ 409,787,952	$ 410,827,118	$ 58,641,017	$ 337,595,571	$ 13,551,364	$ -	$ -

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of $49,872,214 and $42,502,523 as of December 31, 2018 and December 31, 2017, respectively.

Included as Level 2 in corporate debt securities in the fair value hierarchy tables above are commercial paper investments of $4,432,966 and $1,737,719 as of December 31, 2018 and December 31, 2017, respectively. The commercial paper investments reflected in the tables above are included in short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

E. Investments Measured Using the NAV Practical Expedient — Not applicable.

21. OTHER ITEMS

A. Unusual or Infrequent Items

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2018 and 2017.

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings as of December 31, 2018 and 2017.

C. Other Disclosures

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

D. Business Interruption Insurance Recoveries

The Company has not received any business interruption insurance recoveries during 2018 and 2017.

E. State Transferable and Non-transferable Tax Credits

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

F. Sub-Prime Mortgage-Related Risk Exposure

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

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

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

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

G. Retained Assets

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

H. Insurance-Linked Securities Contracts

As of December 31, 2018, the Company is not aware of any possible proceeds of insurance-linked securities.

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through February 28, 2019, which is the date these statutory basis financial statements were available for issuance.

TYPE I – Recognized Subsequent Events:

There are no events subsequent to December 31, 2018, that require recognition and disclosure.

TYPE II — Non-Recognized Subsequent Events

The Company is subject to the annual fee under Section 9010 of the ACA. The fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. Pursuant to the 2019 HIF moratorium (see Note 1), no HIF will be payable in 2019 and therefore there is no amount apportioned out of unassigned funds in 2018 representing an estimate of the 2019 HIF.

The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2018 and 2017:

	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	$ -	$ 27,341,278
C. ACA fee assessment paid	25,917,638	-
D. Premium written subject to ACA 9010 assessment	-	1,283,407,293
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 30)	243,487,426	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 30 minus 22B above)	243,487,426	
G. Authorized Control Level (Five-Year Historical Line 31)	43,242,823	
H. Would reporting the ACA assessment as of December 31, 2018, have triggered an RBC action level (YES/NO)?	No	

There are no other events subsequent to December 31, 2018 that require disclosure.

23. REINSURANCE

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

The Company does not have any affiliated reinsurance agreements in place as of December 31, 2018 or 2017.

Pursuant to Section 1341 of the ACA, through 2017, the Company was subject to the reinsurance provisions for compliant individual policies (see Note 24).

The Company cedes 100% of the total risk on individual life policies, except group life and term life rider. The ceding commission, net of tax, generated from entering into this agreement was recorded directly to surplus in 2005. Per SSAP No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*, the net ceding commission is to be amortized back into income with a corresponding decrease to surplus. The rate of amortization is based upon the Company's projected income on that block of business had it not entered into the transaction. The impact of this treatment is to increase net income and have no effect on surplus.

For accident and health and disability policies, the Company has established various limits of coverage it will retain on any one policyholder and cedes the remainder of such coverage.

One reinsurer accounted for all of the Company's December 31, 2018 and 2017, ceded reserves for life and accident and health insurance. The Company remains obligated for amounts ceded in the event that reinsurers do not meet their obligations.

The effect of external reinsurance agreements outlined above on premiums for life and accident and health contracts—net and disability benefits and benefits under accident and health insurance contracts is presented below:

	2018	2017
Premiums for life and accident and health contracts:		
Direct	$ 1,289,765,572	$ 1,366,629,672
Ceded:		
Nonaffiliate	(25,757,011)	(28,526,254)
Premiums for life and accident and health contracts—net	$ 1,264,008,561	$ 1,338,103,418
Disability benefits and benefits under accident and health insurance contracts:		
Direct	$ 823,948,746	$ 959,618,980
Ceded:		
Nonaffiliate	-	(841,599)
Disability benefits and benefits under accident and health insurance contracts	$ 823,948,746	$ 958,777,381

The Company recognized reinsurance recoveries related to external reinsurance agreements of $313,546 and $1,942,138 in 2018 and 2017, respectively, which are netted against disability benefits and benefits under accident and health insurance contracts—net in the statutory basis statements of operations. In addition, reinsurance recoverables related to external reinsurance agreements of $9,273 and $322,819 for paid losses are recorded as amounts recoverable from reinsurers and $0 and $0 for unpaid losses are recorded as a reduction to contract claims for life and accident and health in 2018 and 2017, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

A. Ceded Reinsurance Report

Section 1 — General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No (X)

(2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

Section 2 — Ceded Reinsurance Report—Part A

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

Yes ( ) No (X)

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

Yes ( ) No (X)

Section 3 — Ceded Reinsurance Report—Part B

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

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2018.

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

Yes ( ) No (X)

B. **Uncollectible Reinsurance** — During 2018 and 2017, there were no uncollectible reinsurance recoverables.

C. **Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2018 or 2017.

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

E–G. **Affiliated Captive Reinsurers —** Not applicable**.**

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

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

B. Estimated accrued retrospective premiums from the Company are recorded in provision for experience rating refunds in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to premiums for life and accident and health contracts—net in the statutory basis statements of operations.

C. Pursuant to the ACA, the Company's commercial business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the commercial lines of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the commercial lines of business subject to the retrospectively rated features was $846,029,995 and $938,473,316, representing 67% and 70% of total direct premiums written as of December 31, 2018 and 2017, respectively.

D. The Company does not have Medicare business subject to specific minimum loss ratio requirements as of December 31, 2018 and 2017. The Company is required to maintain a specific minimum loss ratio on the comprehensive commercial of business.

The following table discloses the minimum medical loss ratio rebate liability which is included in provision for experience rating refunds in the statutory basis statements of admitted assets, liabilities, and capital and surplus for the years ended December 31, 2018 and 2017:

	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	$ 5,150,810	$ -	$ -	$ -	$ 5,150,810
(2) Medical loss ratio rebates paid	6,795,551	-	-	-	6,795,551
(3) Medical loss rebates unpaid	3,934,364	-	-	-	3,934,364
(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	3,934,364
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	2,506,012	-	-	-	2,506,012
(8) Medical loss ratio rebates paid	4,200,251	-	-	-	4,200,251
(9) Medical loss rebates unpaid	2,240,125	-	-	-	2,240,125
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	2,240,125

E. Risk-Sharing Provisions of the Affordable Care Act

(1) The Company has accident and health insurance premiums in 2018 and 2017 subject to the risk-sharing provisions of the ACA.

The ACA imposes fees and premium stabilization provisions on health insurance issuers offering comprehensive commercial health insurance. The three premium stabilization programs are commonly referred to as the 3Rs—risk adjustment, reinsurance, and risk corridor.

Risk Adjustment — The permanent risk adjustment program, designed to mitigate the potential impact of adverse selection and provide stability for health insurance issuers, applies to all non-grandfathered plans not subject to transitional relief in the individual and small group markets both inside and outside of the insurance exchanges. Effective for 2018 benefit plan year, the risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. The operation of the high-cost risk pools exclude a percentage of costs above a threshold level determined by federal regulations. The program operates two national high-cost risk pools, one for individuals and one for small groups. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.

Reinsurance — The transitional reinsurance program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations. The transitional reinsurance program was effective from 2014 through 2016 and applied to all issuers of major medical commercial products and third-party administrators. Contributions attributable to enrollees in the ACA compliant individual plans, including program administrative costs, were accounted for as ceded premium and payments received were accounted for as ceded benefit recoveries. The portion of the individual contributions earmarked for the U.S. Treasury was accounted for as an assessment. Contributions made for enrollees in fully insured plans other than the ACA compliant individual plans, including program administrative costs and payments to the U.S. Treasury, were treated as assessments.

Risk Corridors — The temporary risk corridors program, designed to provide some aggregate protection against variability for issuers in the individual and small group markets during the period 2014 through 2016, applied to Qualified Health Plans in the individual and small group markets both inside and outside of the insurance exchanges. Premium adjustments pursuant to the risk corridors program were accounted for as premium adjustments for retrospectively rated contracts.

(2) The following table presents the current year impact of risk-sharing provisions of the ACA on assets, liabilities and operations:

a. Permanent ACA Risk Adjustment Program		**December 31, 2018**
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	$	27,402
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		-
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium)		-
Operations (Revenue & Expense)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		(240,120)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)		2,542
b. Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance	$	9,273
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. Liability 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		-
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	$	-
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		-
Operations (Revenue & Expense)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		-
4. Effect of ACA Risk Corridors on change in reserves for rate credits		-

(3) The following table is a rollforward of the prior year ACA risk-sharing provisions for asset and liability balances, along with reasons for adjustments to prior year balances:

	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 Adjustment Receivable (including high risk pool payments)	$ 1,485,282	$ -	$ 1,378,742	$ -	$ 106,540	$ -	$ (79,138)	$ -	A	$ 27,402	$ -
2. Premium Adjustment (Payable) (including high risk pool premium)	-	(1,595,485)	-	(1,756,467)	-	160,982	-	(160,982)	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	1,485,282	(1,595,485)	1,378,742	(1,756,467)	106,540	160,982	(79,138)	(160,982)		27,402	-
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	322,819	-	313,546	-	9,273	-	-	-	C	9,273	-
2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium	-	-	-	-	-	-	-	-	F	-	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	322,819	-	313,546	-	9,273	-	-	-		9,273	-
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	-
3. Subtotal ACA Risk Corridors Program	-	-	-	-	-	-	-	-		-	-
d. Total for ACA Risk-Sharing Provisions	$ 1,808,101	$ (1,595,485)	$ 1,692,288	$ (1,756,467)	$ 115,813	$ 160,982	$ (79,138)	$ (160,982)		$ 36,675	$ -

Explanation of Adjustments

A. The risk adjustment receivable as of December 31, 2018 was adjusted based on the final CMS Summary Report on Permanent Risk Adjustment Transfers for the 2017 Benefit Year. The risk adjustment receivable as of December 31, 2017 utilized paid claims through October 31, 2017. The adjustment to the prior year receivable balance reflects the true up to final results for the 2017 Benefit Year.

B. The risk adjustment payable as of December 31, 2018 was adjusted based on the final CMS Summary Report on Permanent Risk Adjustment Transfers for the 2017 Benefit Year. The risk adjustment payable as of December 31, 2017 utilized paid claims through October 31, 2017. The adjustment to the prior year payable balance reflects the true up to final results for the 2017 Benefit Year.

C. N/A
D. N/A
E. N/A
F. N/A
G. N/A
H. N/A
I. N/A
J. N/A

(4) The Company does not have any risk corridor receivables or payables to present in the table below.

(5) The Company does not have any risk corridor receivables to present in the table below.

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

A. This disclosure only relates to accident and health contracts. The reserve for life contracts and annuity life contracts are included in a separate disclosure (see Note 31). The disclosure for loss adjustment expenses is included in Note 35.

Changes in estimates related to the prior year incurred claims are included in disability benefits and benefits under accident and health insurance contracts—net in the current year in the statutory basis statements of operations. The following table summarizes changes in aggregate reserves for accident and health contracts and contract claims for accident and health policies for the years ended December 31, 2018 and 2017:

	2018	2017
Unpaid claim reserves for accident and health and contract claims for accident and health policies at January 1	$ 152,101,561	$ 163,585,796
Incurred benefits related to:		
Current year	876,011,283	970,601,514
Prior years	(52,499,860)	(11,855,058)
Total incurred	823,511,423	958,746,456
Paid claims related to:		
Current year	743,964,200	820,078,971
Prior years	99,126,097	150,151,720
Total paid	843,090,297	970,230,691
Unpaid claim reserves for accident and health and contract claims for accident and health policies at December 31	132,522,688	152,101,561
Unearned premium reserve	53,728,789	49,907,544
Active life reserves	7,898,739	8,955,522
Section 1343 ACA risk adjustment payable	-	1,595,485
Total aggregate reserves for accident and health and contract claims for accident and health policies	$ 194,150,216	$ 212,560,112

Actual claims incurred in 2018 related to prior years were lower than the contract claims and aggregate reserves for accident and health contracts at December 31, 2017 by $52,499,860. The unusually favorable result arose primarily due to two factors at year-end 2017. First, claims in the fourth quarter of 2017 incurred at a lower rate relative to earlier parts of the year than had been observed in recent years. Second, the average time required to process claims decreased significantly in the latter half of 2017 after the elimination of certain products and through the increased use of claims auto-adjudication. While the sources underlying the latter factor were identified at the time, their influence on claims processing speed proved to be more significant than expected and contributed to the overestimation of unpaid claims at year-end 2017. Actual claims incurred in 2017 related to prior years were lower than the contract claims and aggregate reserves for accident and health contracts at December 31, 2016 by $11,855,058. The favorable reserve development resulted primarily from the favorable settlement or outcome of certain claims and ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding medical inflation trends, changes in utilization of health care services, changes in claims submission or payment patterns, and other relevant factors.

B. The Company did not make any significant changes in methodologies and assumptions used in the calculation of aggregate reserve for accident and health contracts and contract claims for accident and health policies in 2018.

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2018 or 2017.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2018 or 2017.

28. HEALTH CARE RECEIVABLES

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

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

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

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days after Billing
12/31/2018	$ 5,315,245				
9/30/2018	5,144,785	4,422,807	2,959,790		
6/30/2018	4,595,655	4,937,594	2,963,384	1,667,925	
3/31/2018	4,958,116	4,535,584	1,927,067	2,556,627	299,812
12/31/2017	5,125,611	4,673,998	2,504,836	1,962,896	151,482
9/30/2017	5,122,263	4,731,841	2,329,784	2,078,283	254,368
6/30/2017	5,408,044	5,049,749	1,750,188	2,568,441	685,436
3/31/2017	5,204,880	4,983,448	913,022	3,267,290	732,544
12/31/2016	6,222,303	5,804,974	2,410,571	2,534,884	764,016
9/30/2016	6,487,061	5,773,905	1,795,422	3,040,808	853,103
6/30/2016	6,010,101	5,465,702	3,210,399	1,910,981	262,143
3/31/2016	5,095,523	4,843,039	1,535,844	3,060,866	209,065

Of the amount reported as health care receivables, $6,554,702 and $6,773,917 relates to pharmacy rebates receivable as of December 31, 2018 and 2017, respectively. This decrease is primarily due to decreased membership along with the change in generic/name brand mix.

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

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2018 or 2017.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2018 or 2017. The analysis of premium deficiency reserves was completed as of December 31, 2018 and 2017. The Company did consider anticipated investment income when calculating the premium deficiency reserves.

The following table summarizes the Company's premium deficiency reserves as of December 31, 2018 and 2017:

	2018
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2018
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

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

31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

(1) The Company waives deduction of deferred fractional premiums upon death of an insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

(2) Extra premiums are charged for substandard lives for life policies, plus the gross premium for a rated age. Mid-terminal reserves are determined by computing the regular mid-terminal reserve for the plan at the rated age and, in addition, holding one-half of the extra premium charge for the year.

(3) The Company had no insurance in-force at December 31, 2018, for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Indiana. Reserves to cover the above insurance totaled the gross amount of $0 at December 31, 2018.

(4) Tabular Interest has been determined by formulas as prescribed by the NAIC.

The Tabular Less Actual Reserve Released has been determined by formula as prescribed by the NAIC.

Tabular Cost has been determined by a formula as prescribed by the NAIC.

(5) Tabular interest on funds not involving life contingencies is determined by a formula as prescribed by the NAIC.

(6) The Company made no other changes to the reserving methodology during 2018.

Pursuant to an indemnity reinsurance agreement the Company cedes all life and annuity business, excluding group life and term life rider business. A ceding commission of $44,430,417, net of tax, was received by the Company of which $1,799,190, net of tax, was recognized as ceded commissions in the statutory basis statements of operations during both 2018 and 2017.

The valuation method used for life and annuity policies and contracts at December 31, 2018 and 2017 is as follows:

	2018	2017
1958 CSO ALB 3% CRVM	$ 1,718,909	$ 1,902,539
1958 CSO ALB 4 1/2% CRVM	16,965,508	18,131,684
1971 IAM 3 1/2 — 8 1/2%	383,206,480	419,315,920
1983 IAM 5 1/4 — 11%	779,261	889,477
1980 CSO 4 1/2 — 5 1/2% CRVM	1,170,571,272	1,208,164,680
Other	34,897,957	32,980,006
Reinsurance credit	(1,606,824,819)	(1,680,447,187)
Total aggregate reserves for life contracts and contract claims for life contracts	$ 1,314,568	$ 937,119

Policy reserves have been reduced at December 31, 2018 and 2017, by $1,599,393,063 and $1,673,874,326, respectively, for reinsurance ceded (including reinsurance on annuity and deposit fund liabilities). Claim liabilities, which are included in contract claims - life, have been reduced at December 31, 2018 and 2017, by $9,184,428 and $8,832,344, respectively, for reinsurance ceded.

The Company recognized reinsurance recoveries of $104,717,084 and $97,061,941 in 2018 and 2017, respectively, which are netted against death benefits in the statutory basis statements of operations.

32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT-TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS

A–E. At December 31, 2018 and 2017, total annuity actuarial reserves, deposit-type contract funds, and other liabilities without life or disability contingencies by withdrawal characteristics are as follows:

	2018				
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	$ 5,008,252	$ -	$ -	$ 5,008,252	1.3 %
(2) At book value less current surrender charge of 5% or more	-	-	-	-	- %
(3) At fair value	-	-	-	-	- %
(4) Total with adjustment or at fair value (total of 1 through 3)	5,008,252	-	-	5,008,252	1.3 %
(5) At book value without adjustment (minimal or no charge or adjustment)	375,395,452	-	-	375,395,452	97.3 %
B. Not subject to discretionary withdrawal	5,403,523	-	-	5,403,523	1.4 %
C. Total (gross: direct + assumed)	385,807,227	-	-	385,807,227	100.0 %
D. Reinsurance ceded	385,807,227	-	-	385,807,227	
E. Total (net) (C) - (D)	$ -	$ -	$ -	$ -	

	2017				
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	$ 5,247,475	$ -	$ -	$ 5,247,475	1.2 %
(2) At book value less current surrender charge of 5% or more	-	-	-	-	- %
(3) At fair value	-	-	-	-	- %
(4) Total with adjustment or at fair value (total of 1 through 3)	5,247,475	-	-	5,247,475	1.2 %
(5) At book value without adjustment (minimal or no charge or adjustment)	411,682,927	-	-	411,682,927	97.4 %
B. Not subject to discretionary withdrawal	5,606,141	-	-	5,606,141	1.3 %
C. Total (gross: direct + assumed)	422,536,543	-	-	422,536,543	100.0 %
D. Reinsurance ceded	422,536,543	-	-	422,536,543	
E. Total (net) (C) - (D)	$ -	$ -	$ -	$ -	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

F. A reconciliation of annuity reserves and deposit fund liabilities to Aggregate Reserves for Life Policies and Contracts Exhibit and Deposit Funds and Other Liabilities without Life or Disability Contingencies Exhibit, of the Life, Accident and Health Annual Statement and the corresponding lines in the Separate Accounts Statement, are as follows:

	2018	2017
Life Accident & Health Annual Statement		
1. Exhibit 5, Annuities Section, Total (net)	$ -	$ -
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	-	-
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	-	-
4. Subtotal	-	-
Separate Accounts Annual Statement		
5. Exhibit 3, Line 0299999, Column 2	-	-
6. Exhibit 3, Line 0399999, Column 2	-	-
7. Policyholder dividend and coupon accumulations	-	-
8. Policyholder premiums	-	-
9. Guaranteed interest contracts	-	-
10. Other contract deposit funds	-	-
11. Subtotal	-	-
12. Combined Total	$ -	$ -

33. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

A. Deferred and uncollected group life insurance premiums, gross and net of loading, were as follows:

	2018	
Type	**Gross**	**Net of Loading**
(1) Industrial	$ -	$ -
(2) Ordinary new business	7,360	6,134
(3) Ordinary renewal	5,967	5,746
(4) Credit life	-	-
(5) Group life	7,189	6,980
(6) Group annuity	-	-
(7) Totals	$ 20,516	$ 18,860

	2017	
Type	**Gross**	**Net of Loading**
(1) Industrial	$ -	$ -
(2) Ordinary new business	9,582	7,985
(3) Ordinary renewal	3,419	3,292
(4) Credit life	-	-
(5) Group life	7,035	6,831
(6) Group annuity	-	-
(7) Totals	$ 20,036	$ 18,108

34. SEPARATE ACCOUNTS

A–C. The Company does not have separate account business as of December 31, 2018 and 2017.

35. LOSS/CLAIM ADJUSTMENT EXPENSES

A. The following table summarizes changes in unpaid CAE for the years ended December 31, 2018 and 2017, which are included in general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus:

	2018	**2017**
Unpaid claims adjustment expenses—January 1	$ 2,797,228	$ 3,033,959
Incurred claims adjustment expenses related to:		
Current year	16,586,183	17,849,872
Prior years	(911,393)	(243,551)
Total incurred	15,674,790	17,606,321
Paid claims adjustment expenses related to:		
Current year	14,086,036	15,081,683
Prior years	1,876,829	2,761,369
Total paid	15,962,865	17,843,052
Unpaid claims adjustment expenses—December 31	$ 2,509,153	$ 2,797,228

B. The Company did not make any significant changes in methodologies and assumptions used in the calculation of unpaid CAE in 2018.

Due to the type of business being written with these licenses, the Company has no salvage. As of December 31, 2018 and 2017, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of incurred but not yet reported claims.

* * * * * *

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? Indiana

1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [X] No [ ]

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0000731766

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. 12/31/2017

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/09/2014

3.4 By what department or departments?
Indiana

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 [X] No [ ] N/A [ ]

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]
If yes, complete and file the merger history data file with the NAIC.

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 [X] No [ ]

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Optum Bank, Inc.	Salt Lake City, UT			YES	

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Baker Tilly Virchow Krause LLP, Minneapolis, MN

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

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

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

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

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

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

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

Timothy Allen Luker, FSA MAAA, Director, Actuarial, UnitedHealth Group, 3100 AMS Boulevard, Green Bay, WI 54313

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 [ ] No [X]

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

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

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

GENERAL INTERROGATORIES

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

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

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

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $ 2,953
- 22.22 Amount paid as expenses $ 26,127,708
- 22.23 Other amounts paid $

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

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

INVESTMENT

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

24.02 If no, give full and complete information relating thereto

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

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

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

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 $ 4,269,897
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
Bank of New York Mellon	Global Liquidity Services 1 Wall St. 14th Floor New York NY 10286
Northern Trust	50 S. LaSalle Chicago IL 60675

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Not applicable.		

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
JPMorgan Investment Management Inc	U
BNY Mellon Asset Management North America	U
Internally Managed	I

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107038	JPMorgan Investment Management Inc.	549300W78QHV4XMM6K69	SEC	NO
105764	BNY Mellon Asset Management North America	ME7YUCK4NF1W8VM8SP25	SEC	NO

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	451,817,064	447,827,466	(3,989,598)
30.2 Preferred stocks	0		0
30.3 Totals	451,817,064	447,827,466	(3,989,598)

30.4 Describe the sources or methods utilized in determining the fair values:
For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from Hub which is an external data sources vendor. Hub utilizes various pricing sources.

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

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

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

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:
N/A

GENERAL INTERROGATORIES

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
    a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
    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 5GI securities? .... Yes [ ] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
    a. The security was purchased prior to January 1, 2018.
    b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
    c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
    d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

    Has the reporting entity self-designated PLGI securities? .... Yes [ ] No [X]

OTHER

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

35.2 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

36.1 Amount of payments for legal expenses, 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 payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

1.2 If yes, indicate premium earned on U.S. business only $ 18,841,403

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 13,631,044

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 $ 18,841,403

1.65 Total incurred claims $ 13,631,044

1.66 Number of covered lives 6,227

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	1,229,292,631	1,315,960,725
2.2	Premium Denominator	1,264,008,561	1,338,103,418
2.3	Premium Ratio (2.1/2.2)	0.973	0.983
2.4	Reserve Numerator	183,996,818	199,317,125
2.5	Reserve Denominator	195,464,784	213,497,231
2.6	Reserve Ratio (2.4/2.5)	0.941	0.934

3.1 Does this reporting entity have Separate Accounts? Yes [ ] No [X]

3.2 If yes, has a Separate Accounts Statement been filed with this Department? Yes [ ] No [ ] N/A [X]

3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? $

3.4 State the authority under which Separate Accounts are maintained:

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [ ] No [ ]

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [ ] No [ ]

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)"? $

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [X] No [ ]

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid $ 102,525,625

4.22 Received $

5.1 Does the reporting entity write any guaranteed interest contracts? Yes [ ] No [X]

5.2 If yes, what amount pertaining to these lines is included in:

5.21 Page 3, Line 1 $

5.22 Page 4, Line 1 $

6. FOR STOCK REPORTING ENTITIES ONLY:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: $ 14,162,016

7. Total dividends paid stockholders since organization of the reporting entity:

7.11 Cash $ 2,311,724,559

7.12 Stock $ 15,968,954

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

9. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:
9.1 Amount of loss reserves established by these annuities during the current year: $
9.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

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

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

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

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

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

GENERAL INTERROGATORIES

11.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [ ] No [ ] N/A [X]

11.2 If the answer to 11.1 is yes, please provide the following:

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

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

12.1 Direct Premium Written $ 25,040,084

12.2 Total Incurred Claims $ 77,666,665

12.3 Number of Covered Lives 33,586

*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)

13. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No [ ]

13.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [ ]

FIVE-YEAR HISTORICAL DATA

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

		1 2018	2 2017	3 2016	4 2015	5 2014
	Life Insurance in Force					
	(Exhibit of Life Insurance)					
1.	Ordinary - whole life and endowment (Line 34, Col. 4)	1,530,729	1,617,110	1,700,501	1,765,695	1,859,418
2.	Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	3,138,754	3,443,465	3,517,363	3,725,295	4,005,584
3.	Credit life (Line 21, Col. 6)	0	0	0	0	0
4.	Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	373,304	431,401	516,005	681,765	986,321
5.	Industrial (Line 21, Col. 2)	0	0	0	0	0
6.	FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7.	Total (Line 21, Col. 10)	5,042,787	5,491,976	5,733,869	6,172,755	6,851,323
7.1	Total in force for which VM-20 deterministic/stochastic reserves are calculated			XXX	XXX	XXX
	New Business Issued					
	(Exhibit of Life Insurance)					
8.	Ordinary - whole life and endowment (Line 34, Col. 2)					
9.	Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)	261,635	292,380	75,500	0	0
10.	Credit life (Line 2, Col. 6)	0	0	0	0	0
11.	Group (Line 2, Col. 9)	0	0	0	0	0
12.	Industrial (Line 2, Col. 2)	0	0	0	0	0
13.	Total (Line 2, Col. 10)	261,635	292,380	75,500	0	0
	Premium Income - Lines of Business					
	(Exhibit 1 - Part 1)					
14.	Industrial life (Line 20.4, Col. 2)	0	0	0	0	0
15.1	Ordinary-life insurance (Line 20.4, Col. 3)	1,083,377	701,116	155,856	98,638	205,966
15.2	Ordinary-individual annuities (Line 20.4, Col. 4)	0	0	0	0	0
16	Credit life (group and individual) (Line 20.4, Col. 5)	0	0	0	0	0
17.1	Group life insurance (Line 20.4, Col. 6)	1,004,805	1,149,159	1,334,673	1,258,616	1,897,717
17.2	Group annuities (Line 20.4, Col. 7)	0	0	0	0	0
18.1	A & H-group (Line 20.4, Col. 8)	951,679,209	1,112,737,202	1,167,768,860	1,281,402,227	1,562,647,414
18.2	A & H-credit (group and individual) (Line 20.4, Col. 9)	0	0	0	0	0
18.3	A & H-other (Line 20.4, Col. 10)	310,241,170	223,515,941	184,973,039	218,525,783	285,876,117
19.	Aggregate of all other lines of business (Line 20.4,Col. 11)	0	0	0	0	0
20.	Total	1,264,008,561	1,338,103,418	1,354,232,427	1,501,285,264	1,850,627,213
	Balance Sheet (Pages 2 & 3)					
21.	Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	522,610,328	499,171,779	529,488,173	635,565,515	718,208,451
22.	Total liabilities excluding Separate Accounts business (Page 3, Line 26)	280,576,183	300,544,678	359,437,760	367,539,021	405,025,824
23.	Aggregate life reserves (Page 3, Line 1)	179,295	101,864	61,259	56,371	50,631
23.1	Excess VM-20 deterministic/stochastic reserve over NPR related to Line 7.1			XXX	XXX	XXX
24.	Aggregate A & H reserves (Page 3, Line 2)	63,882,188	63,150,534	68,649,789	75,477,817	84,122,300
25.	Deposit-type contract funds (Page 3, Line 3)	0	0	0	0	0
26.	Asset valuation reserve (Page 3, Line 24.01)	1,453,281	1,491,568	1,501,545	2,097,471	2,142,677
27.	Capital (Page 3, Lines 29 and 30)	3,262,704	3,262,704	3,262,704	3,262,704	3,262,704
28.	Surplus (Page 3, Line 37)	238,771,441	195,364,397	166,787,709	264,763,790	309,919,923
	Cash Flow (Page 5)					
29.	Net Cash from Operations (Line 11)	136,101,807	45,527,942	53,386,756	44,673,659	54,457,480
	Risk-Based Capital Analysis					
30.	Total adjusted capital	243,487,426	200,118,669	171,551,958	270,123,965	315,325,304
31.	Authorized control level risk - based capital	43,242,823	48,257,041	48,157,273	51,714,452	61,690,621
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
	(Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32.	Bonds (Line 1)	78.8	87.3	89.3	91.0	86.6
33.	Stocks (Lines 2.1 and 2.2)	0.0	0.0	0.0	0.0	0.0
34.	Mortgage loans on real estate(Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35.	Real estate (Lines 4.1, 4.2 and 4.3)	0.5	0.6	0.7	0.5	0.5
36.	Cash, cash equivalents and short-term investments (Line 5)	18.3	8.9	6.2	5.2	10.0
37.	Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
38.	Derivatives (Page 2, Line 7)	0.0	0.0	0.0	0.0	0.0
39.	Other invested assets (Line 8)	2.5	3.2	3.8	3.3	3.0
40.	Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41.	Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
42.	Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
43.	Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1)					
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1)					
46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1),					
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
48. Affiliated mortgage loans on real estate					
49. All other affiliated					
50. Total of above Lines 44 to 49	0	0	0	0	0
51. Total Investment in Parent included in Lines 44 to 49 above					
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2)	16,361,649	10,655,204	19,219,784	14,129,870	13,158,171
53. Total admitted assets (Page 2, Line 28, Col. 3)	522,610,328	499,171,779	529,488,173	635,565,515	718,208,451
Investment Data					
54. Net investment income (Exhibit of Net Investment Income)	9,197,673	7,040,261	8,680,041	9,480,381	11,737,231
55. Realized capital gains (losses) (Page 4, Line 34, Column 1)	526,938	(2,735)	63,271	(2,726)	(98,106)
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)					
57. Total of above Lines 54, 55 and 56	9,724,611	7,037,526	8,743,312	9,477,655	11,639,125
Benefits and Reserve Increases (Page 6)					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11,12, 13, 14 and 15 Cols. 9, 10 and 11)	752,976	1,055,818	653,766	451,710	461,296
59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	823,948,746	958,777,381	966,991,712	1,076,426,835	1,389,926,418
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	82,422	47,922	9,172	(374)	(3,487)
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	2,327,139	(2,808,673)	(7,280,808)	(12,477,771)	(19,510,534)
62. Dividends to policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0	18.0	18.2	15.1	12.5	14.1
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0	11.6	7.4	5.1	5.3	7.8
65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2)	66.6	73.0	72.2	72.1	75.3
66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2)	1.3	1.4	1.2	1.0	0.9
67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2)	21.1	18.6	21.1	17.2	18.5
A & H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)	83,686,813	133,273,598	138,659,352	136,557,927	153,356,019
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)	130,934,470	143,683,872	145,605,482	145,758,825	170,904,095
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	15,914,887	18,457,139	20,714,868	25,057,720	26,312,738
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	21,167,091	19,901,924	23,951,030	24,412,135	29,915,114
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2)	0	0	0	0	0
73. Ordinary - life (Col. 3)	1,576,044	1,054,833	1,524,296	1,531,733	1,653,195
74. Ordinary - individual annuities (Col. 4)	729,932	734,260	739,450	746,878	751,548
75. Ordinary-supplementary contracts (Col. 5)	0	0	0	0	0
76. Credit life (Col. 6)	0	0	0	0	0
77. Group life (Col. 7)	728,480	205,477	285,981	135,204	477,582
78. Group annuities (Col. 8)	0	0	0	0	0
79. A & H-group (Col. 9)	77,837,420	55,707,685	53,384,917	88,978,839	53,295,465
80. A & H-credit (Col. 10)	0	0	0	0	0
81. A & H-other (Col. 11)	49,172,552	24,923,044	9,220,302	15,442,116	20,581,197
82. Aggregate of all other lines of business (Col. 12)	0	0	0	0	0
83. Total (Col. 1)	130,044,428	82,625,299	65,154,946	106,834,769	76,758,986

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:

EXHIBIT OF LIFE INSURANCE

($000 Omitted for Amounts of Life Insurance)

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10
	1	2	3	4	5	6	Number of		9	
							7	8		
	Number of Policies	Amount of Insurance	Number of Policies	Amount of Insurance	Number of Individual Policies and Group Certificates	Amount of Insurance	Policies	Certificates	Amount of Insurance	Total Amount of Insurance
1. In force end of prior year	0	0	34,750	5,060,575	0	0	114	4,124	431,401	5,491,976
2. Issued during year		0	5,924	261,635		0			0	261,635
3. Reinsurance assumed										0
4. Revived during year			22	3,828			0	0	19,594	23,422
5. Increased during year (net)										0
6. Subtotals, Lines 2 to 5	0	0	5,946	265,463	0	0	0	0	19,594	285,057
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8)	0	0	40,696	5,326,038	0	0	114	4,124	450,995	5,777,033
Deductions during year:										
10. Death			719	59,604			XXX	3	150	59,754
11. Maturity			20	68			XXX			68
12. Disability			0	0			XXX			0
13. Expiry			12	160						160
14. Surrender			653	97,377						97,377
15. Lapse			5,513	468,680			5	714	77,541	546,221
16. Conversion			10	5,750			XXX	XXX	XXX	5,750
17. Decreased (net)			170	24,916						24,916
18. Reinsurance										0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19)	0	0	7,097	656,555	0	0	5	717	77,691	734,246
21. In force end of year (Line 9 minus Line 20)	0	0	33,599	4,669,483	0	0	109	3,407	373,304	5,042,787
22. Reinsurance ceded end of year	XXX		XXX	4,410,138	XXX		XXX	XXX		4,410,138
23. Line 21 minus Line 22	XXX	0	XXX	259,345	XXX	(a) 0	XXX	XXX	373,304	632,649
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page.	0	0	0	0	0	0	0	0	0	0
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0	0	0	0	0	0	0
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page.	0	0	0	0	0	0	0	0	0	0
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above)	0	0	0	0	0	0	0	0	0	0

(a) Group $; Individual $

EXHIBIT OF LIFE INSURANCE

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

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
24. Additions by dividends	XXX		XXX	145
25. Other paid-up insurance			8,210	884,864
26. Debit ordinary insurance	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
Term Insurance Excluding Extended Term Insurance	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
27. Term policies - decreasing			180	989
28. Term policies - other	5,924	261,635	18,569	3,136,842
29. Other term insurance - decreasing	XXX		XXX	
30. Other term insurance	XXX		XXX	
31. Totals (Lines 27 to 30)	5,924	261,635	18,749	3,137,831
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX		XXX	
33. Totals, extended term insurance	XXX	XXX	240	923
34. Totals, whole life and endowment			14,610	1,530,729
35. Totals (Lines 31 to 34)	5,924	261,635	33,599	4,669,483

CLASSIFICATION OF AMOUNT OF INSURANCE BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36 Industrial				
37. Ordinary	261,635	0	4,668,957	526
38. Credit Life (Group and Individual)				
39. Group	0		373,303	
40. Totals (Lines 36 to 39)	261,635	0	5,042,260	526

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

NONE

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

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies	20,510

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

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

47.1 New issues exact basis; older issues on level amount basis

47.2 New issues exact basis; older issues on level amount basis

POLICIES WITH DISABILITY PROVISIONS

	Industrial		Ordinary		Credit		Group	
Disability Provisions	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Policies	6 Amount of Insurance	7 Number of Certificates	8 Amount of Insurance
48. Waiver of Premium			3,342	139,309				
49. Disability Income								
50. Extended Benefits			XXX	XXX				
51. Other								
52. Total	0	(a) 0	3,342	(a) 139,309	0	(a) 0	0	(a) 0

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

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	0	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	0	0	0	0
Deductions during year:				
6. Decreased (net)	3	0		
7. Reinsurance ceded	(3)	0		
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	0	0	0	0
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	0	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Lines 1 to 4)	0	0	0	0
Deductions during year:				
6. Decreased (net)	1	798		
7. Reinsurance ceded	(1)	(798)		
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	0	0	0	0
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	206,505	1,057,826,839	0	0	240,435	252,339,403
2. Issued during year	259,107	666,036,066	0	0	362,153	489,939,114
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Totals (Lines 1 to 4)	465,612	XXX	0	XXX	602,588	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)	275,636	XXX	0	XXX	248,129	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)	275,636	XXX	0	XXX	248,129	XXX
10. In force end of year	189,976	(a) 976,795,796	0	(a)	354,459	(a) 362,887,074

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1. In force end of prior year	0	0
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Lines 1 to 4)	0	0
Deductions During Year:		
6. Decreased (net)		11
7. Reinsurance ceded		(11)
8. Totals (Lines 6 and 7)	0	0
9. In force end of year	0	0
10. Amount of account balance	(a)	(a)

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

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS [(b)]

Allocated by States and Territories

States, Etc.		1 Active Status (a)	Direct Business Only: Life Contracts: 2 Life Insurance Premiums	3 Annuity Considerations	4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
1. Alabama	AL	L	337,210	11,600	13,954,412		14,303,222	
2. Alaska	AK	L	17,322	7,199	295,263		319,784	
3. Arizona	AZ	L	581,036	48,912	88,150,126		88,780,073	
4. Arkansas	AR	L	371,186	36,646	14,873,122		15,280,954	
5. California	CA	L	1,054,700	148,342	3,096,648		4,299,690	
6. Colorado	CO	L	563,173	12,454	28,158,370		28,733,997	
7. Connecticut	CT	L	566,035	49,004	4,519,747		5,134,786	
8. Delaware	DE	L	120,801	3,876	1,016,927		1,141,604	
9. District of Columbia	DC	L	44,570		165,730		210,299	
10. Florida	FL	L	2,058,423	155,855	228,686,441		230,900,718	
11. Georgia	GA	L	780,074	18,121	42,514,695		43,312,890	
12. Hawaii	HI	L	114,783	6,304	246,067		367,154	
13. Idaho	ID	L	36,320	13,017	325,861		375,197	
14. Illinois	IL	L	2,270,045	201,833	70,216,895		72,688,772	
15. Indiana	IN	L	1,002,688	121,478	50,907,927		52,032,092	
16. Iowa	IA	L	515,051	30,372	15,147,370		15,692,793	
17. Kansas	KS	L	141,110	11,578	8,031,732		8,184,419	
18. Kentucky	KY	L	686,982	3,641	3,968,543		4,659,166	
19. Louisiana	LA	L	369,358	31,385	10,585,286		10,986,030	
20. Maine	ME	L	132,000		1,131,310		1,263,310	
21. Maryland	MD	L	650,367	29,831	21,247,077		21,927,275	
22. Massachusetts	MA	L	147,361	40,421	29,759		217,541	
23. Michigan	MI	L	1,334,010	102,545	69,258,025		70,694,580	
24. Minnesota	MN	L	410,868	52,572	1,418,839		1,882,279	
25. Mississippi	MS	L	219,408	22,193	21,421,587		21,663,189	
26. Missouri	MO	L	1,134,522	70,010	65,586,108		66,790,640	
27. Montana	MT	L	4,173		746,624		750,797	
28. Nebraska	NE	L	269,699	18,164	28,111,466		28,399,328	
29. Nevada	NV	L	75,450	5,280	9,104,921		9,185,652	
30. New Hampshire	NH	L	191,649	6,976	64,350		262,974	
31. New Jersey	NJ	L	54,157	9,714	872,553		936,424	
32. New Mexico	NM	L	51,488	13,005	129,213		193,706	
33. New York	NY	N	32,140	3,809	45,795		81,745	
34. North Carolina	NC	L	718,728	36,137	35,509,169		36,264,034	
35. North Dakota	ND	L	72,593		72,616		145,209	
36. Ohio	OH	L	1,199,026	99,898	74,674,949		75,973,873	
37. Oklahoma	OK	L	279,090	14,176	24,306,399		24,599,665	
38. Oregon	OR	L	104,328	3,669	3,306,318		3,414,315	
39. Pennsylvania	PA	L	950,691	5,958	32,014,873		32,971,522	
40. Rhode Island	RI	L	46,758	1,625	191,431		239,813	
41. South Carolina	SC	L	380,092	18,610	35,161,573		35,560,275	
42. South Dakota	SD	L	207,253	2,000	106,148		315,401	
43. Tennessee	TN	L	1,032,314	27,318	35,905,805		36,965,437	
44. Texas	TX	L	2,177,029	196,575	128,248,571		130,622,175	
45. Utah	UT	L	88,324		1,117,557		1,205,881	
46. Vermont	VT	L	40,860		17,662		58,522	
47. Virginia	VA	L	868,064	50,077	27,299,326		28,217,467	
48. Washington	WA	L	180,042	3,502	614,795		798,338	
49. West Virginia	WV	L	212,977	17,404	7,492,128		7,722,509	
50. Wisconsin	WI	L	1,123,532	34,964	55,609,494		56,767,991	
51. Wyoming	WY	L	23,439		4,868,816		4,892,255	
52. American Samoa	AS	N					0	
53. Guam	GU	L					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	5,060	0	9,889	0	14,949	0
59. Subtotal		XXX	26,048,360	1,798,047	1,270,556,307	0	1,298,402,714	0
90. Reporting entity contributions for employee benefits plans		XXX					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities		XXX					0	
92. Dividends or refunds applied to shorten endowment or premium paying period		XXX					0	
93. Premium or annuity considerations waived under disability or other contract provisions		XXX					0	
94. Aggregate or other amounts not allocable by State		XXX	0	0	0	0	0	0
95. Totals (Direct Business)		XXX	26,048,360	1,798,047	1,270,556,307	0	1,298,402,714	0
96. Plus reinsurance assumed		XXX					0	
97 Totals (All Business)		XXX	26,048,360	1,798,047	1,270,556,307	0	1,298,402,714	0
98. Less reinsurance ceded		XXX	23,958,964	1,798,047	0		25,757,011	
99. Totals (All Business) less Reinsurance Ceded		XXX	2,089,396	0	(c) 1,270,556,307	0	1,272,645,703	0
DETAILS OF WRITE-INS								
58001. ZZZ Other Alien		XXX	5,060		9,889		14,949	
58002.		XXX						
58003.		XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	5,060	0	9,889	0	14,949	0
9401.		XXX						
9402.		XXX						
9403.		XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page		XXX	0	0	0	0	0	0
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)		XXX	0	0	0	0	0	0

(a) Active Status Counts:

- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG 51
- R - Registered - Non-domiciled RRGs 0
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state 0
- Q - Qualified - Qualified or accredited reinsurer 0
- N - None of the above - Not allowed to write business in the state 6

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

Allocation of premiums based upon insured's address state.

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

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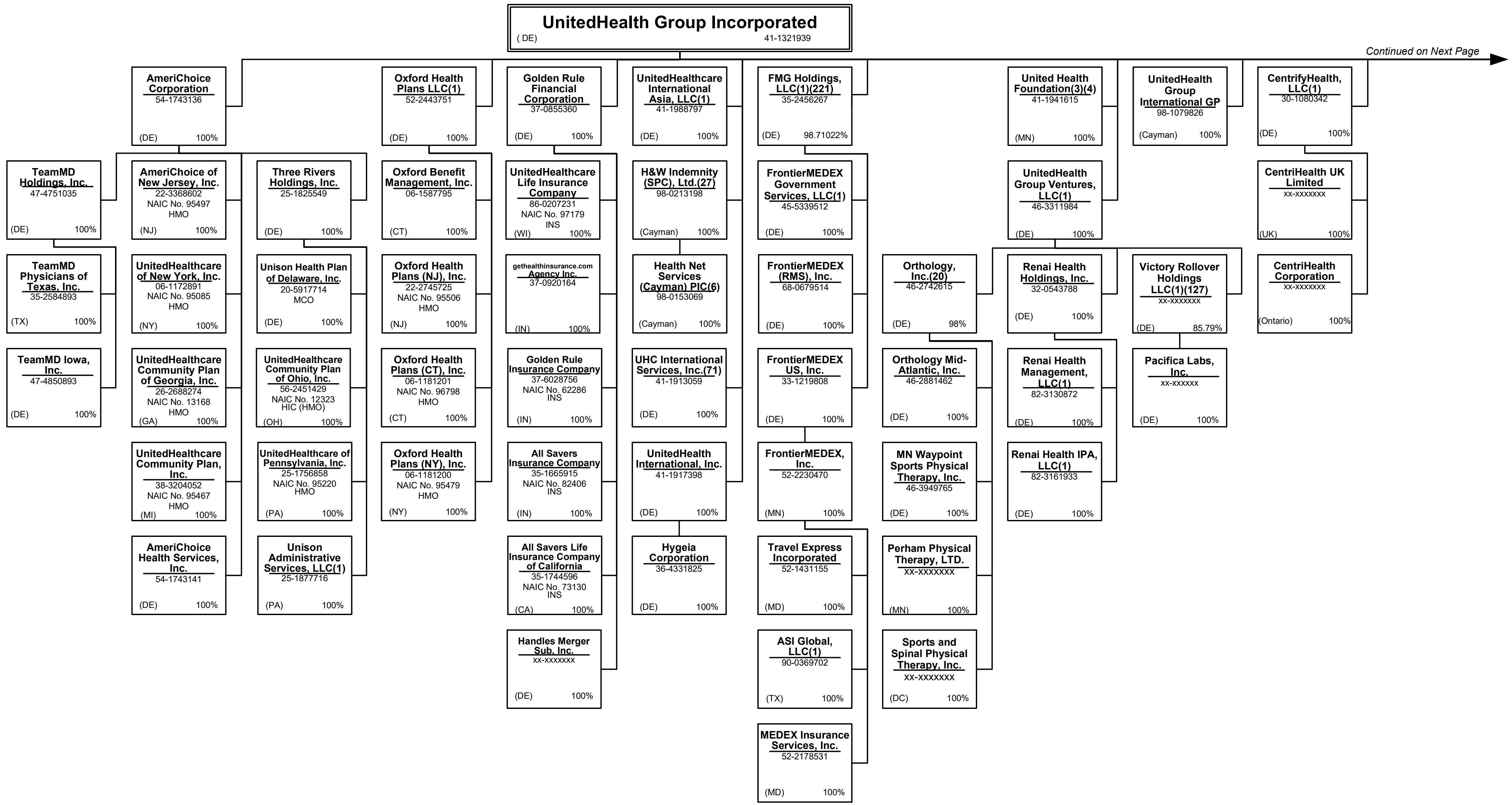

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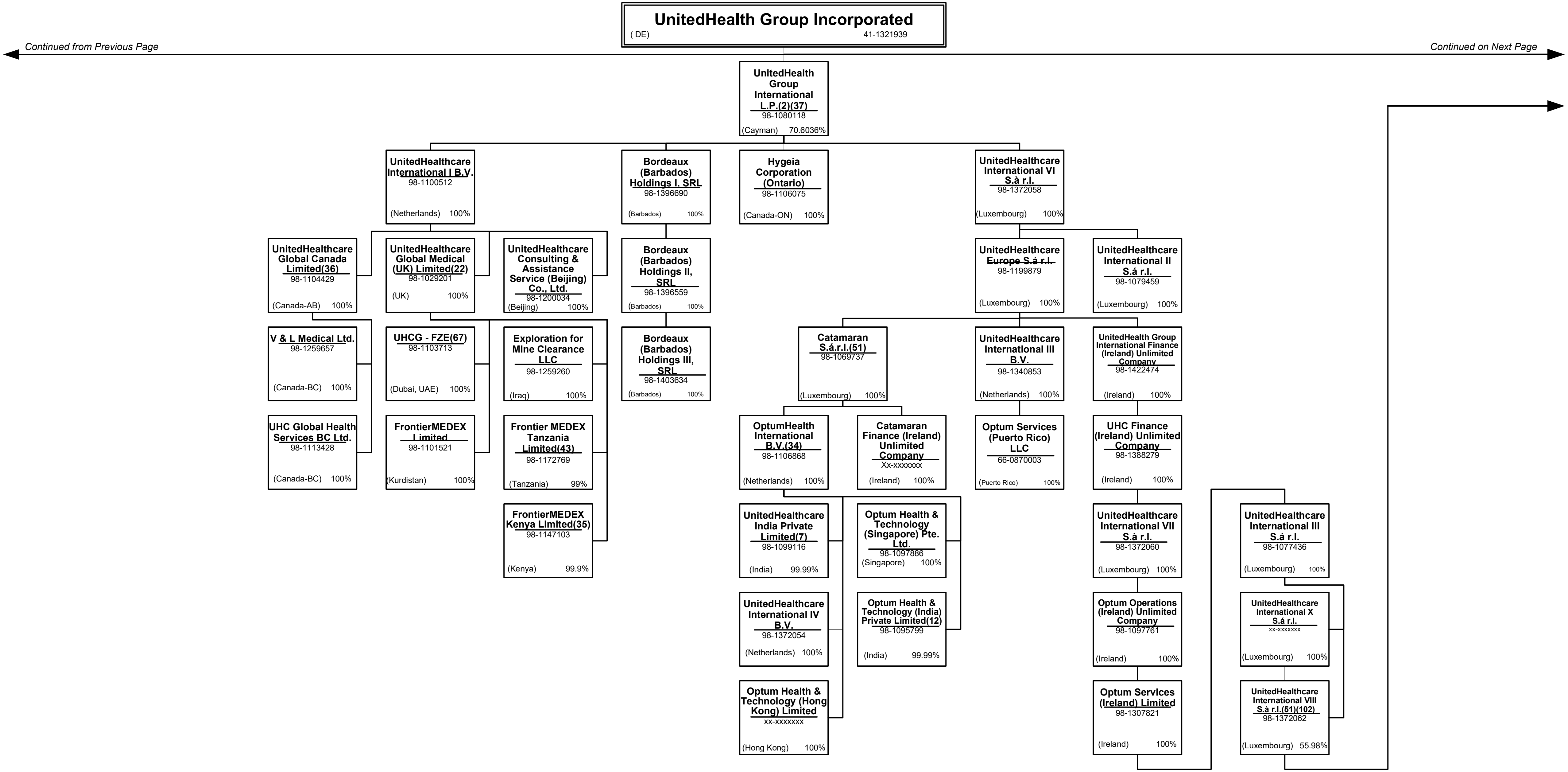

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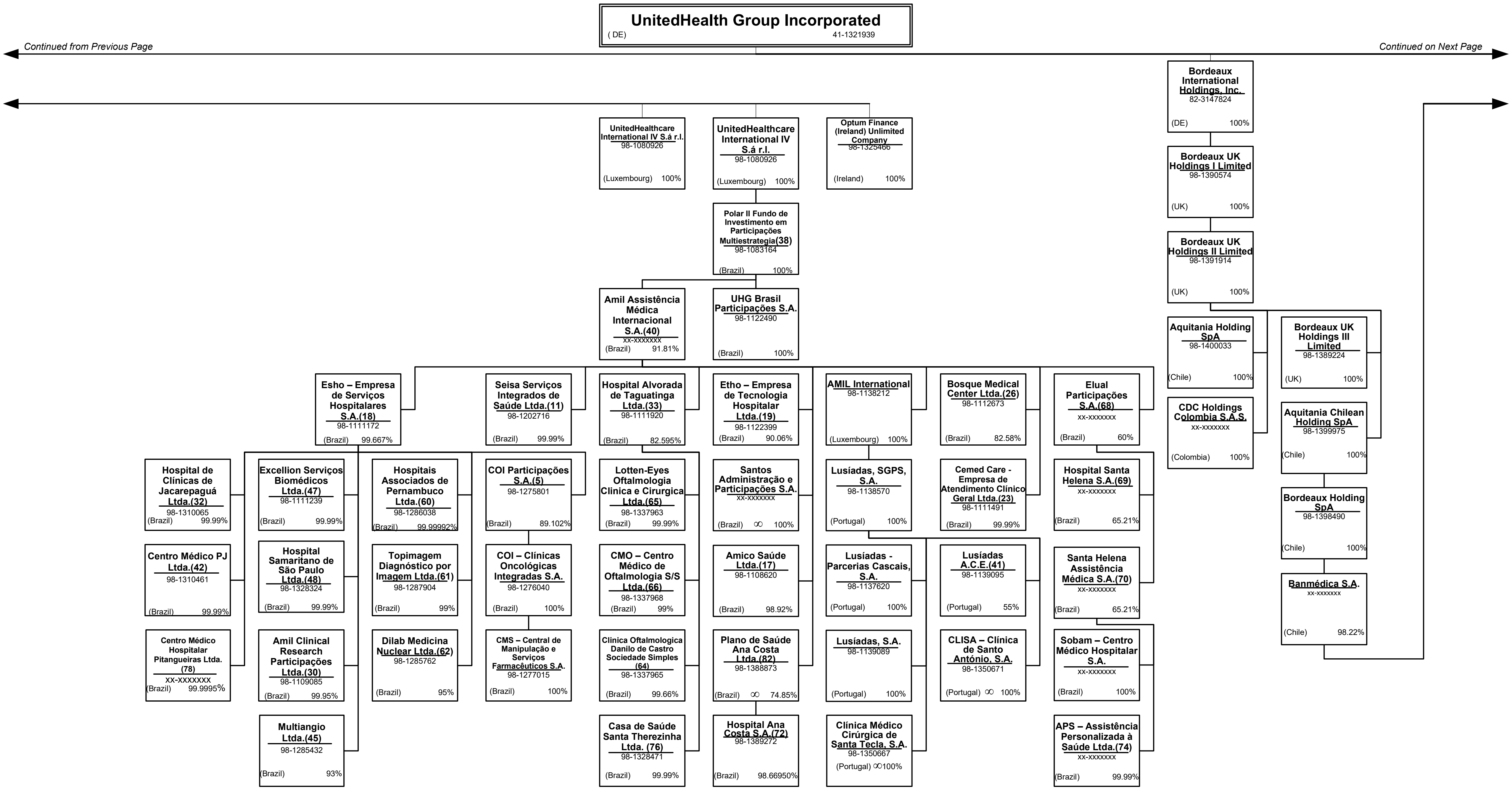

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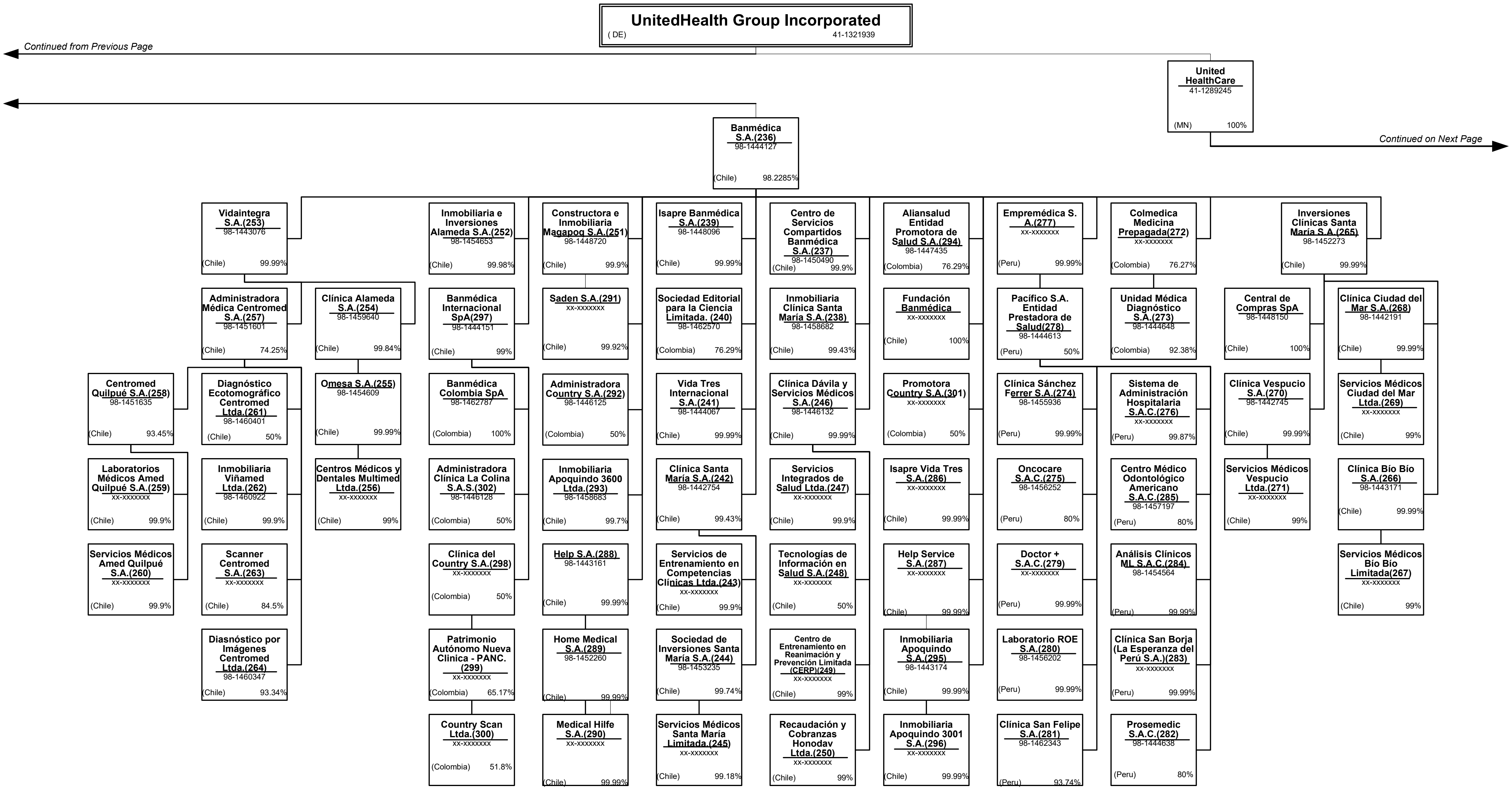

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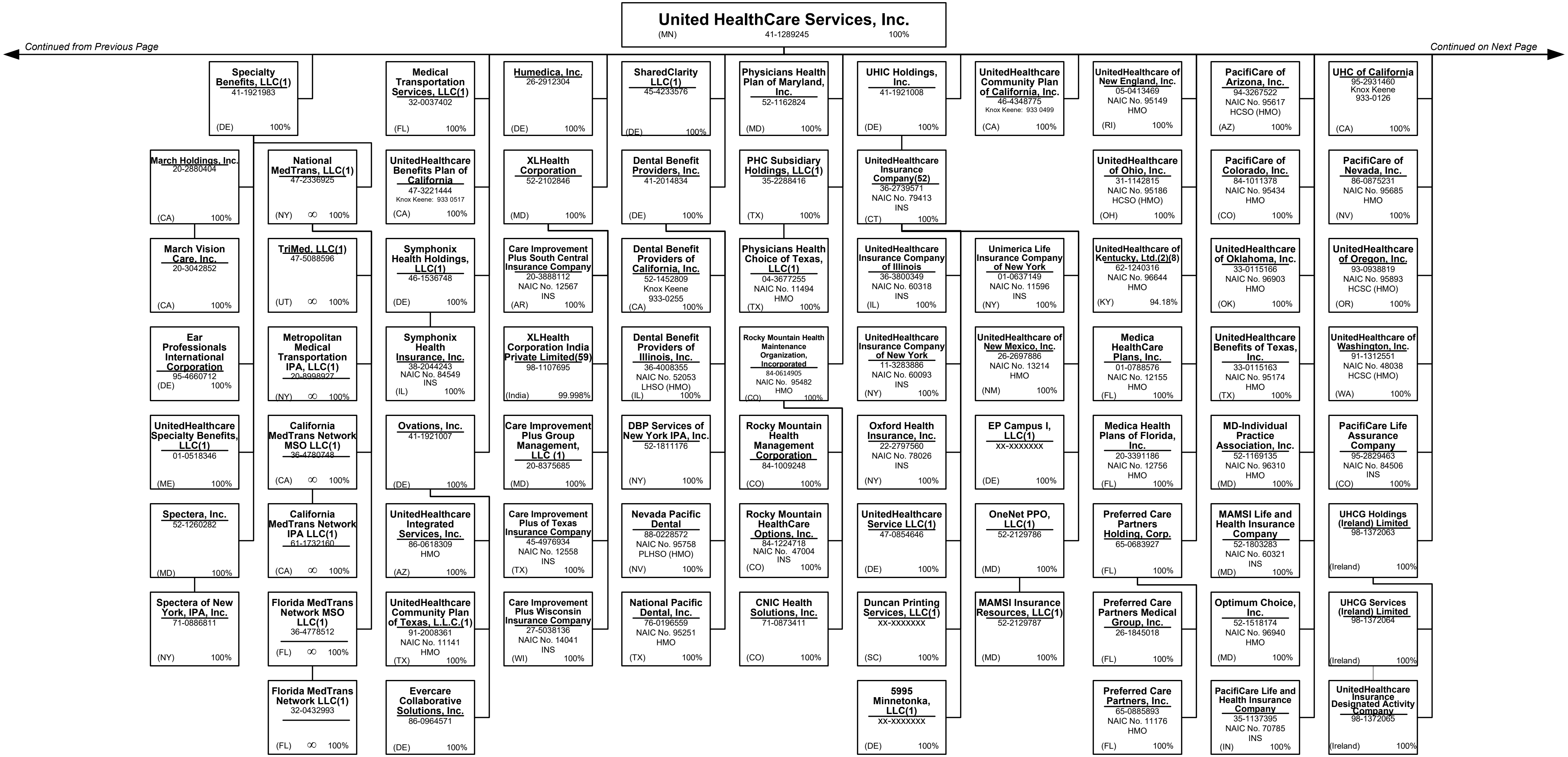

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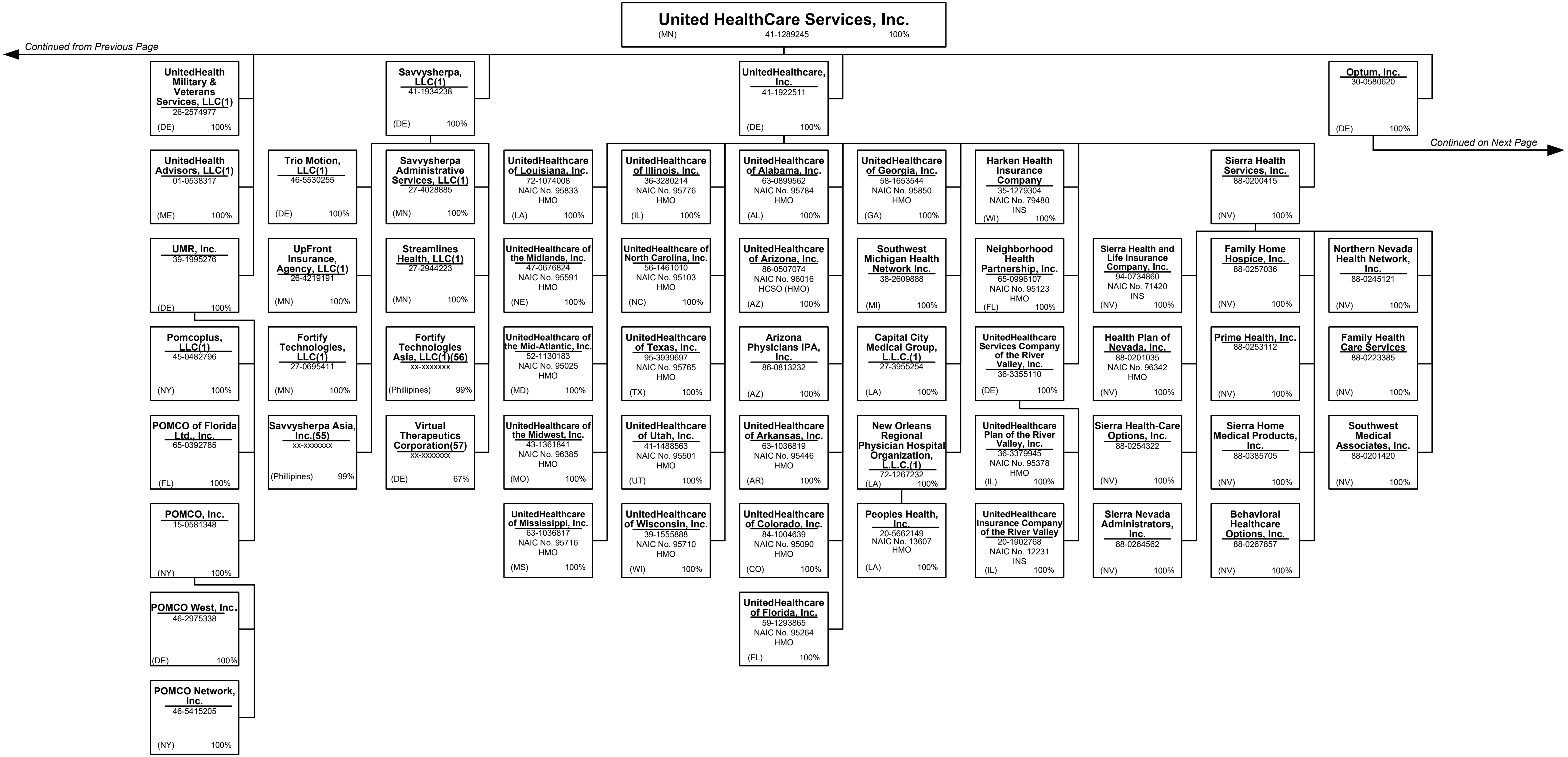

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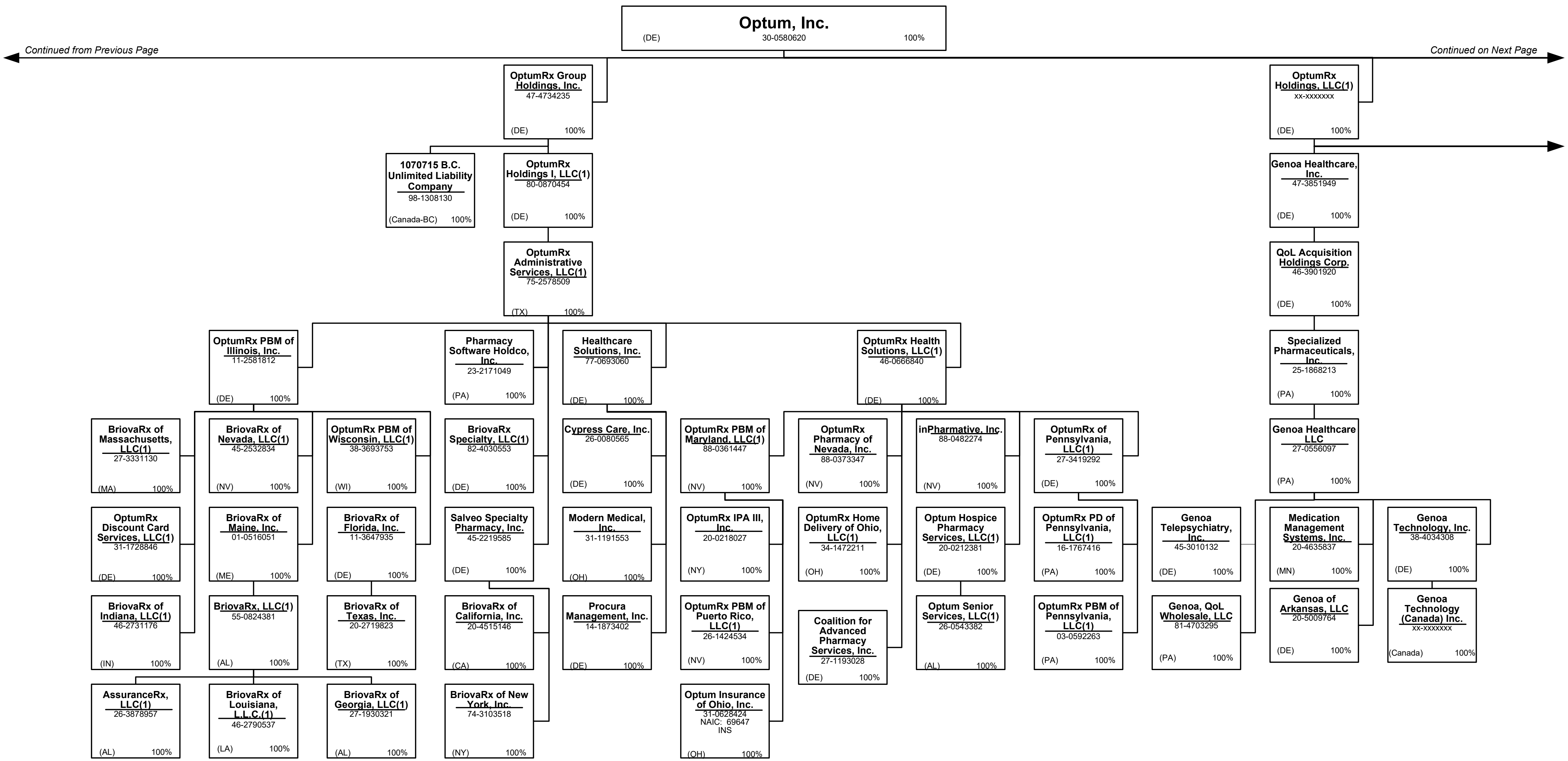

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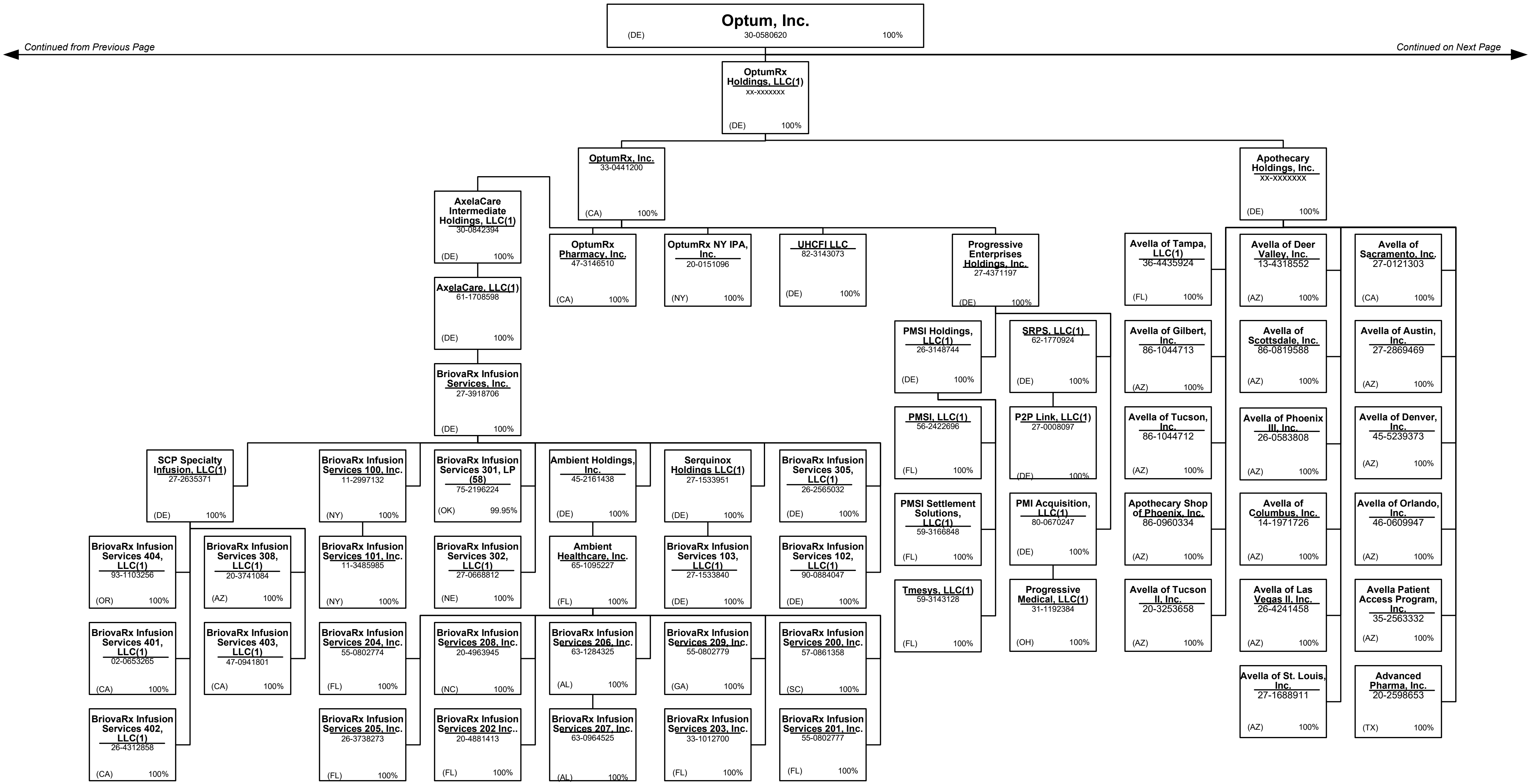

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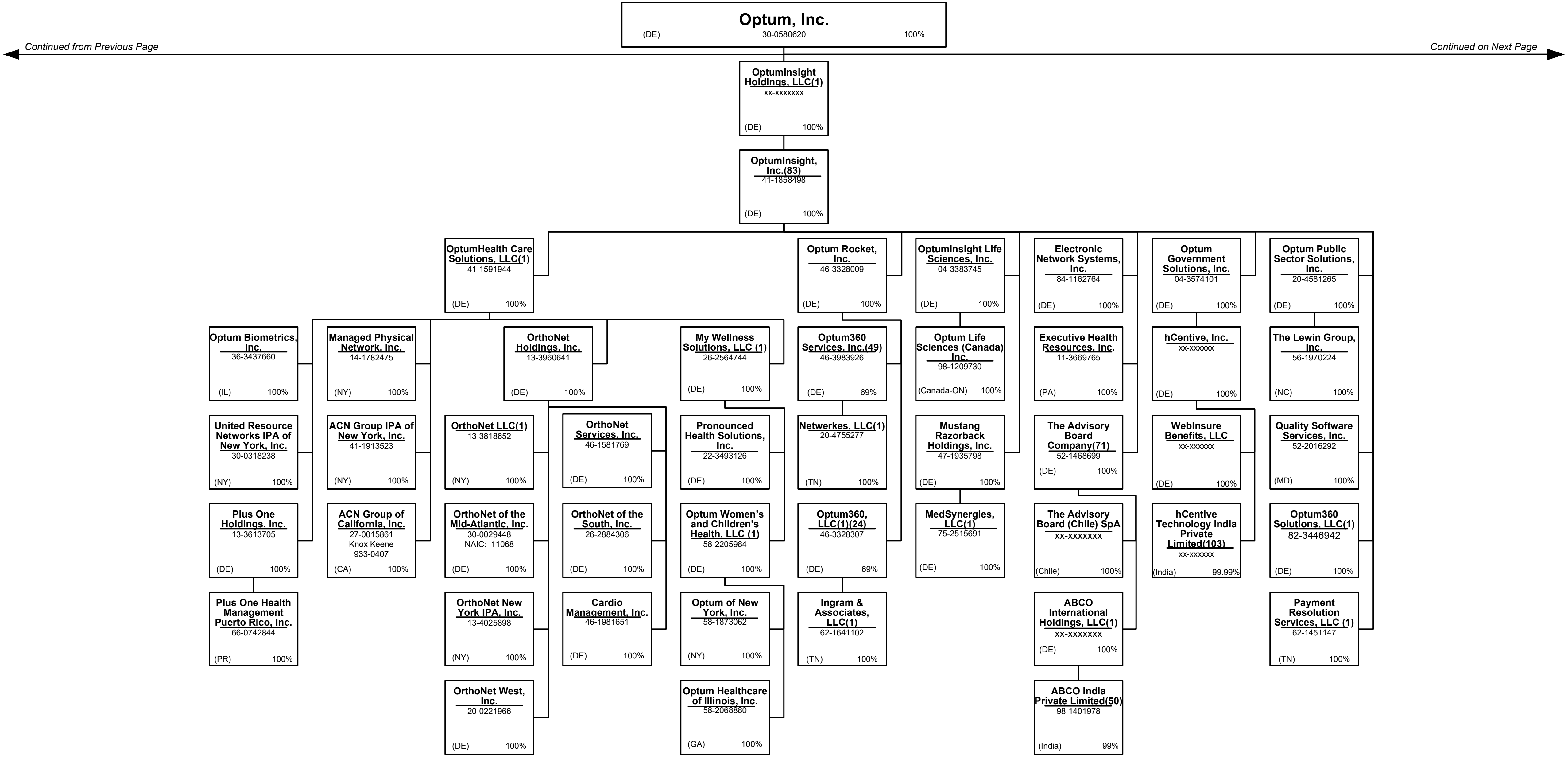

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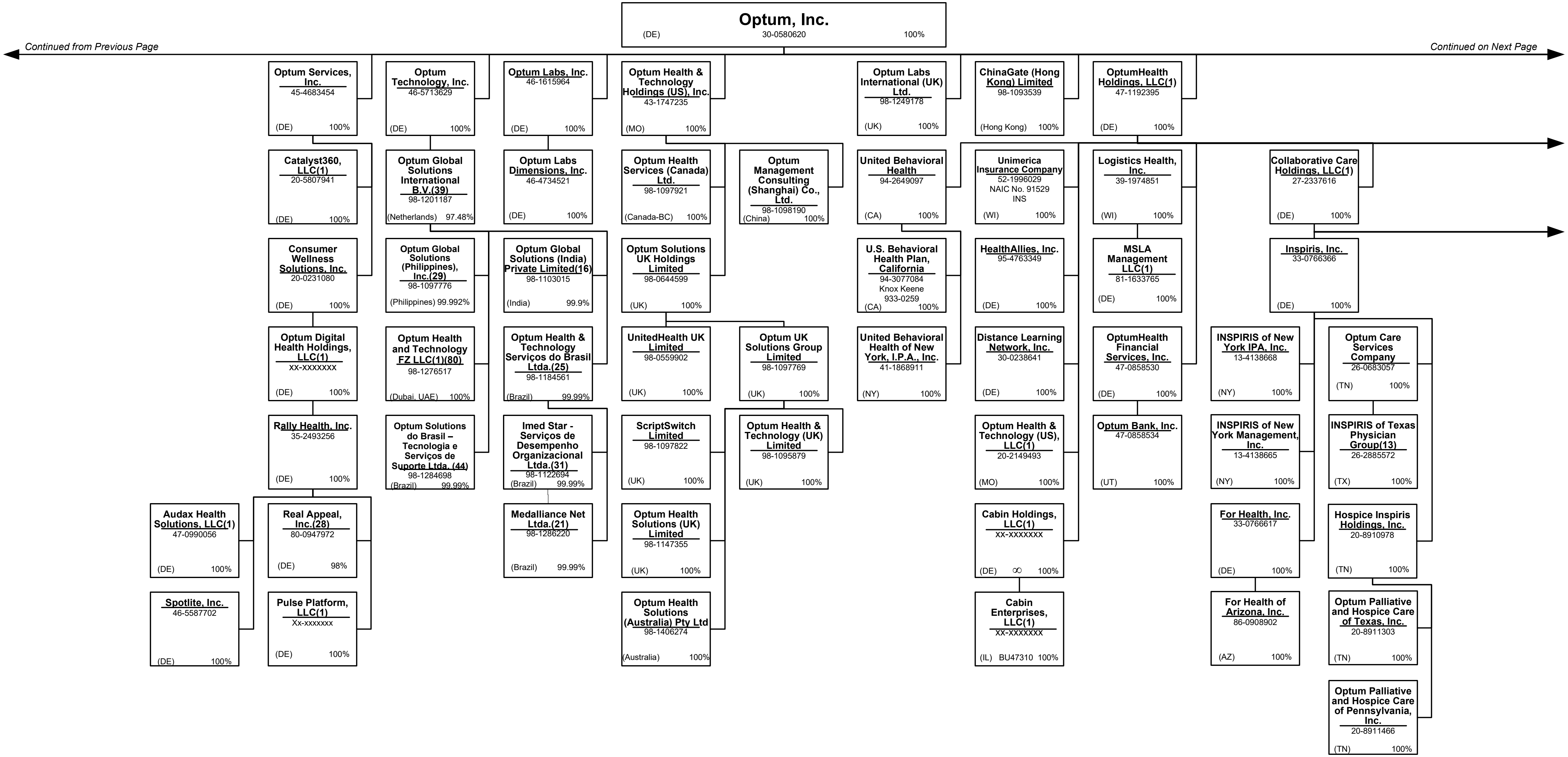

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

- **Optum, Inc.** 30-0580620 (DE) 100%

Continued from Previous Page

Continued on Next Page

- OptumHealth Holdings, LLC(1) 47-1192395 (DE) 100%
  - Collaborative Care Holdings, LLC(1) 27-2337616 (DE) 100%
    - AHN Target Holdings, LLC(1)(112) 35-2582899 (DE) 80.1%
      - AHN Central Services, LLC(1) 35-2109566 (IN) 100%
      - American Health Network of Indiana Care Organization, LLC(1) 45-4770582 (IN) 100%
      - American Health Network of Indiana II, LLC(1) 35-1930805 (IN) 100%
      - American Health Network of Indiana, LLC(1) 35-2108729 NAIC No. 52623 HMO (IN) 100%
      - American Health Network of Ohio II, LLC(1) 31-1424956 (OH) 100%
      - American Health Network of Ohio, LLC(1) 31-1424957 (OH) 100%
      - American Health Network of Ohio Care Organization, LLC(1) 45-4132160 (OH) 100%
      - AHN Accountable Care Organization, LLC(1) 45-4171713 (IN) 100%
      - Central Indiana Care Organization, LLC(1) 45-4131797 (IN) 100%
      - Central Ohio Care Organization, LLC(1) 45-5600514 (OH) 100%
      - Indiana Care Organization, LLC(1) 45-4132005 (IN) 100%
    - Lifeprint Accountable Care Organization, LLC(1) 32-0409538 (DE) 100%
    - Optum Nevada Accountable Care Organization LLC (1) 90-1001805 (DE) 100%
    - WESTMED Practice Partners LLC(1) 45-0636596 (DE) 100%
    - Monarch Management Services, Inc. 45-3142852 (DE) 100%
      - MHC Real Estate Holdings, LLC(1) 27-2252446 (CA) 100%
      - 310 Canyon Medical, LLC(1) 27-2624551 (CA) 100%
    - Collaborative Realty, LLC(1) 45-2614005 (NY) 100%
    - ProHEALTH Medical Management, LLC(1)(53) 47-1049961 (DE) 80%
      - ProHEALTH Fitness of Lake Success, LLC(1)(54) 32-0229091 (NY) 82.62%
      - ProHealth Proton Center Management, LLC (1) 32-0455430 (DE) 100%
      - Day-Op Surgery Consulting Company, LLC (1) xx-xxxxxxx (DE) 100%
      - Riverside Medical Management, LLC(1) 32-0500242 (DE) 100%
    - Collaborative Care Services, Inc. 27-2337487 (DE) 100%
    - Optum Care, Inc. 83-1959511 (DE) 100%
    - The Polyclinic MSO, LLC(1)(310) xx-xxxxxxx (DE) 80.1%
    - Optum Clinics Holdings, Inc. (15) 37-1782217 (DE) 97.2%
      - Optum Clinics Intermediate Holdings, Inc. 38-3969193 (DE) 100%
        - Urgent Care Holdings, Inc. 26-0382877 (DE) 100%
          - MedExpress Urgent Care New Hampshire, Inc. 82-0631738 (NH) 100%
          - MedExpress Urgent Care Alabama, LLC(1) 32-0533926 (AL) 100%
          - MedExpress Urgent Care Maine, Inc. 82-1719888 (ME) 100%
          - MedExpress Urgent Care, Inc. – Ohio xx-xxxxxxx (OH) 100%
          - Urgent Care MSO, LLC(1) 26-3667220 (DE) 100%
            - MedExpress Development, LLC(1) 20-3824377 (FL) 100%
              - DWIC of Tampa Bay, Inc. 59-3625966 (FL) 100%
              - MedExpress Urgent Care of Boynton Beach, LLC(1) 20-2545363 (FL) 100%
            - Highlands Ranch Healthcare, LLC (1) 84-1472832 (CO) 100%
            - ME AHS UC LLC (1)(86) xx-xxxxxxx (DE) 70%
    - Optum Palliative and Hospice Care, Inc. 30-0226127 (DE) 100%
    - Reliant MSO, LLC(1) 82-3745100 (DE) 100%
    - Massachusetts Assurance Co., Ltd. xx-xxxxxxx (Cayman) 100%
    - Newton Holdings, LLC(1)(9) xx-xxxxxxx (DE) 80.1%
      - New West Physicians, Inc. 84-1250135 (CO) 100%
        - Physician Alliance of the Rockies, LLC(1) 81-2902954 (CO) 100%
        - HealthFirst IPA, Inc. xx-xxxxxxx (CO) 100%
    - Lifeprint East, Inc. 45-3143218 (DE) 100%
    - LifePrint Health, Inc. 27-2309024 (DE) 100%
    - Golden Outlook, Inc. 20-3420886 (CA) 100%
    - Polo Holdco, LLC(1)(46) 47-5563848 (DE) 80.1%
      - ProHealth Physicians, Inc. 06-1446075 (CT) 100%
        - ProHealth Physicians ACO, LLC(1) 45-5470737 (CT) 100%

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Golden Rule Insurance Company

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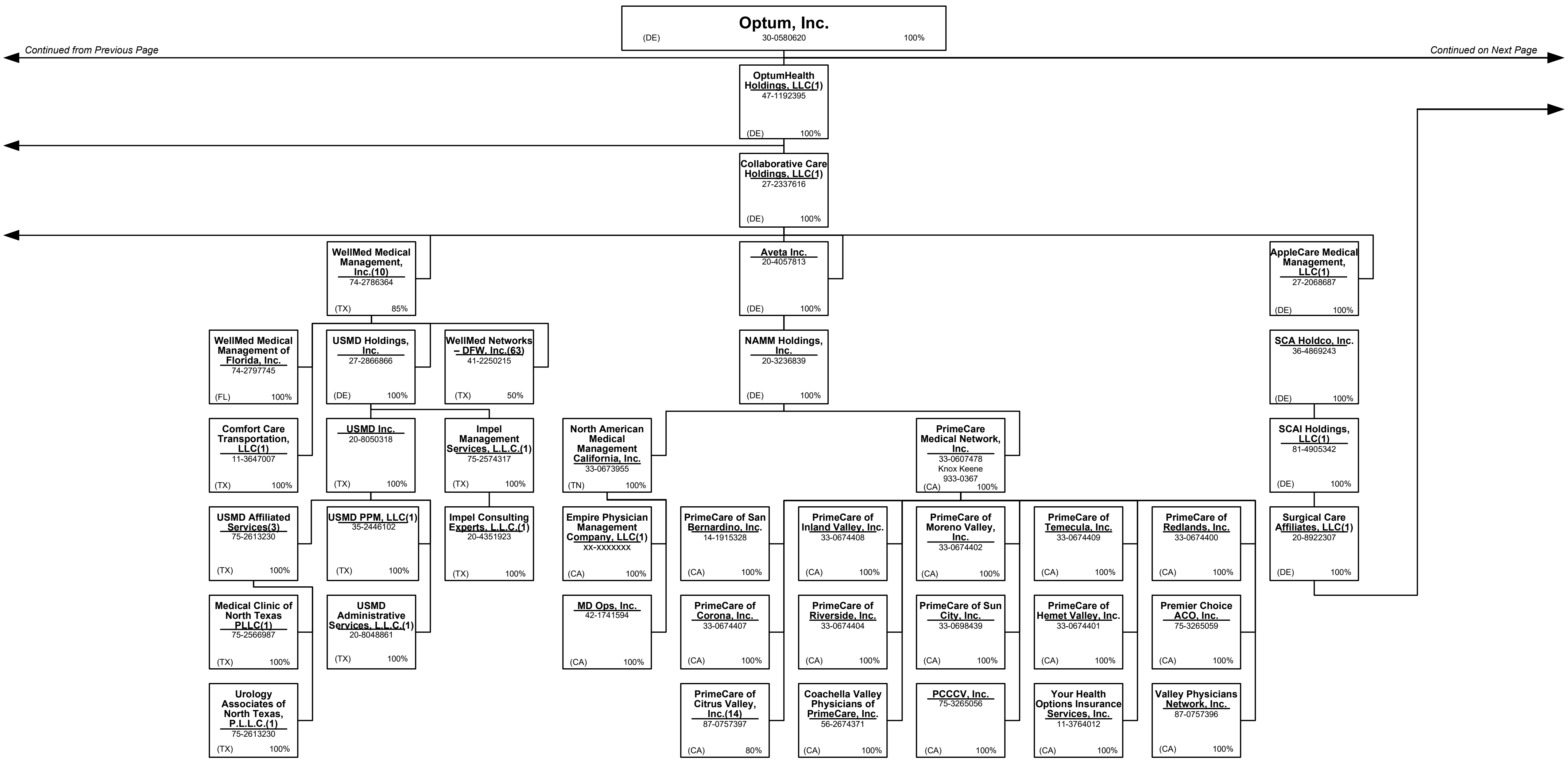
PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

Surgical Care Affiliates, LLC (1) (DE) 20-8922307 100%

Continued from Previous Page

Continued on Next Page

- **ASC Network, LLC(1)** 95-4348431 (DE) 100%
  - **Loyola Ambulatory Surgery Center at Oakbrook, Inc.** 36-4119519 (IL) 100%
  - **Medical Surgical Centers of America, Inc.** 26-0636717 (DE) 100%
  - **Pomerado Outpatient Surgical Center, Inc.** 33-0261822 (CA) 100%
    - **Pomerado Outpatient Surgical Center, L.P.(2)(73)** 33-0752699 (CA) 57.50%
- **Surgical Care Affiliates Political Action Committee(3)** 33-1187498 (AL) 100%
- **Connecticut Surgical Center, LLC(1)(79)** 06-1156342 (DE) 73.039%
  - **Connecticut Surgery Center, Limited Partnership(2)(77)** 06-1592173 (CT) 51%
- **Connecticut Surgery Properties, LLC(1)** 26-1313646 (DE) 100%
- **Illinois Independent Care Network** xx-xxxxxxx (CA) 100%
- **SCA Capital, LLC(1)** 47-3916468 (DE) 100%
- **Surgical Center of Tuscaloosa Holdings, LLC(1)** 63-1138507 (DE) 100%
- **SCA Teammate Support Network(3)** 27-2096767 (AL) 100%
- **eCode Solutions, LLC(1)** 71-0923682 (DE) 100%
  - **SCA eCode Solutions Private Limited(113)** 98-1372069 (India) 99.99%
- **Surgical Health, LLC(1)** 58-1941168 (DE) 100%
  - **SCA-San Diego, Inc.** 81-2963561 (DE) 100%
  - **SCA-Encinitas, Inc.** 81-3301305 (DE) 100%
  - **SHC Melbourne, Inc.** 58-2101924 (FL) 100%
    - **Surgical Care Partners of Melbourne, LLC(1)(149)** 46-2971080 (DE) 74.74%
      - **Melbourne Surgery Center, LLC(1)** 58-2101921 (GA) 100%
  - **SCA-St. Louis, LLC(1)** 47-4106989 (MO) 100%
  - **SHC Atlanta, LLC(1)** 58-1978974 (DE) 100%
  - **Surgery Center of Vero Beach, Inc** 62-1491963 (TN) 100%
  - **Surgical Health of Orlando, Inc.** 58-1997354 (FL) 100%
    - **Orlando Center for Outpatient Surgery, L.P.(2)(150)** 59-3125869 (GA) 58.69%
  - **SHC Hawthorn, Inc.** 58-2062812 (IL) 100%
  - **Surgery Center of Boca Raton, Inc.** 62-1509341 (FL) 100%
  - **SCA of Clarksville, Inc.** 62-1505276 (TN) 100%
  - **SHC Austin, Inc.** 58-2013443 (TX) 100%
    - **Austin Center For Outpatient Surgery, L.P.(151)** 58-2028767 (GA) 51%
- **Surgery Centers-West Holdings, LLC(1)** 68-0282268 (DE) 100%
  - **Surgicare of La Veta, Inc.** 75-2501191 (CA) 100%
    - **Beach Surgical Holdings III, LLC(1)(226)** 47-4504390 (CA) 68.86%
  - **Golden Triangle Surgicenter, L.P.(2)(85)** 33-0529450 (CA) 72%
  - **Wauwatosa Outpatient Surgery Center, LLC(1)** 36-3469841 (DE) 100%
    - **Wauwatosa Surgery Center, Limited Partnership(2)(84)** 36-3469839 (WI) 51%
  - **Surgicare of La Veta, Ltd., a California Limited Partnership** 75-2507129 (CO) 100%
- **SCA Surgery Holdings, LLC(1)** 26-2602268 (DE) 100%
  - **SCA-Charleston, LLC(1)** 58-1709758 (DE) 100%
    - **Charleston Surgery Properties, LLC(1)(99)** xx-xxxxxxx (DE) 50.85%
  - **SCA-Wilson, LLC(1)** 47-2890788 (DE) 100%
    - **Surgery Center of Wilson, LLC(1)(90)** 26-1767806 (NC) 76.45%
  - **SCA Specialists of Florida, LLC(1)** 47-3165040 (DE) 100%
    - **Specialists in Urology Surgery Center, LLC(1)** 55-0790742 (FL) 100%
  - **West Coast Endoscopy Holdings, LLC(1)** 27-2809113 (DE) 100%
    - **E Street Endoscopy, LLC(1)(304)** 59-3705426 (FL) 51%
  - **Mississippi Surgery Holdings, LLC(1)** 27-2439806 (DE) 100%
  - **Surgical Hospital Holdings of Oklahoma, LLC(1)** 27-0168681 (DE) 100%
    - **Surgical Hospital of Oklahoma, L.L.C.(1)** xx-xxxxxxx (OK) 56%
  - **SCA-Somerset, LLC(1)** 81-3300613 (DE) 100%
    - **Somerset Outpatient Surgery, L.L.C.(1)(223)** 20-8433398 (NJ) 59.9993%
  - **SCA-Illinois, LLC(1)** 81-1666861 (DE) 100%
    - **Advocate-SCA Partners, LLC(1)(224)** 47-4012497 (DE) 51%
      - **Advocate Condell Ambulatory Surgery Center, LLC(1)(154)** 47-5337115 (IL) 59.64%
      - **Midwest Center for Day Surgery, LLC(1)(107)** 20-8103522 (IL) 53.22%
      - **Advocate Southwest Ambulatory Surgery Center, LLC(1)(303)** 36-4437931 (IL) 51%
  - **SCA-Alliance, LLC(1)** 47-1807383 (DE) 100%
    - **Alliance Surgical Center, LLC(1)(225)** 27-1367127 (FL) 51.29%
  - **SCA Holding Company, Inc.** 27-1664837 (DE) 100%
    - **Channel Islands Surgicenter Properties, LLC(1)(86)** 46-1454664 (CA) 62.7426%

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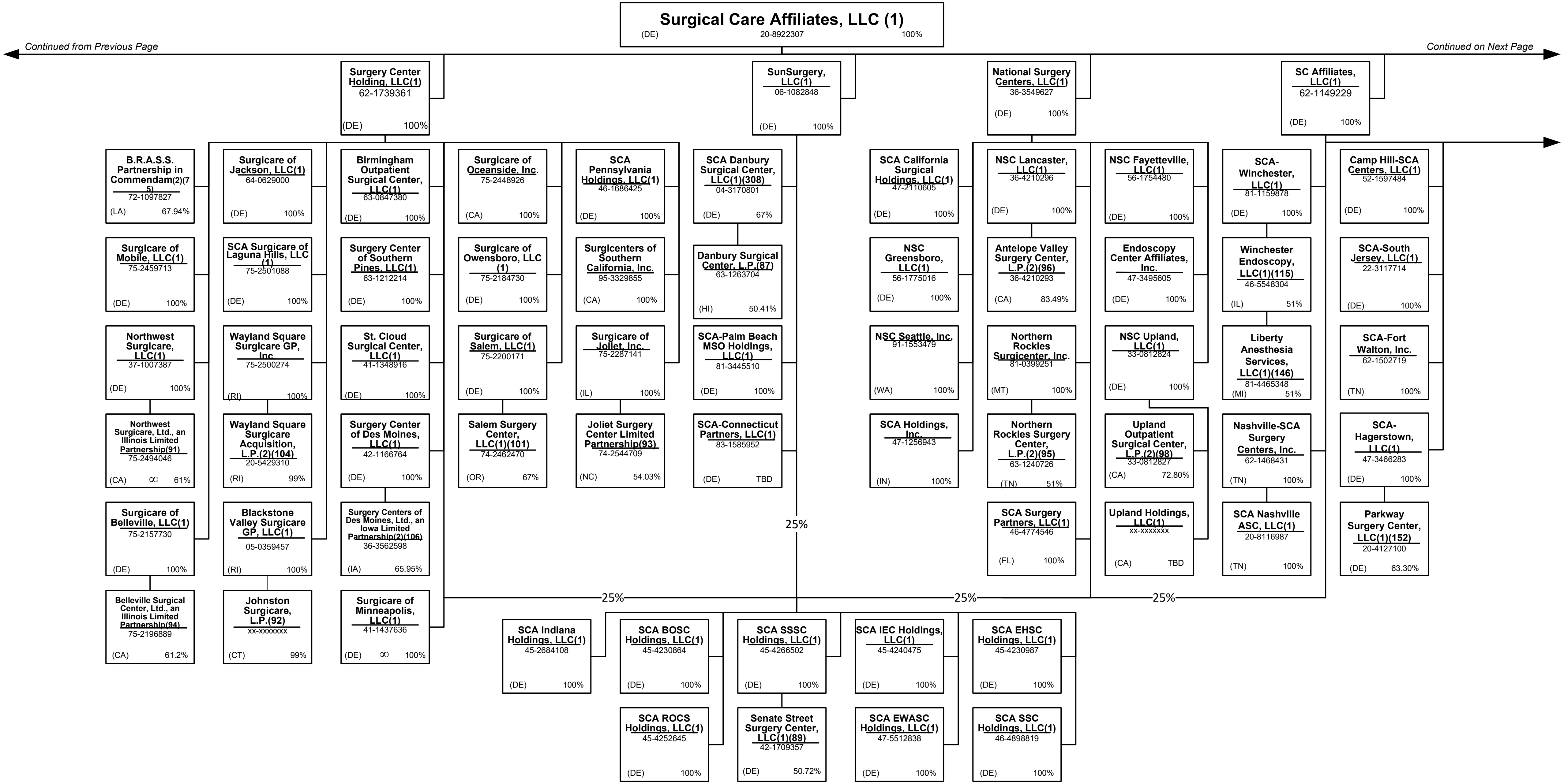

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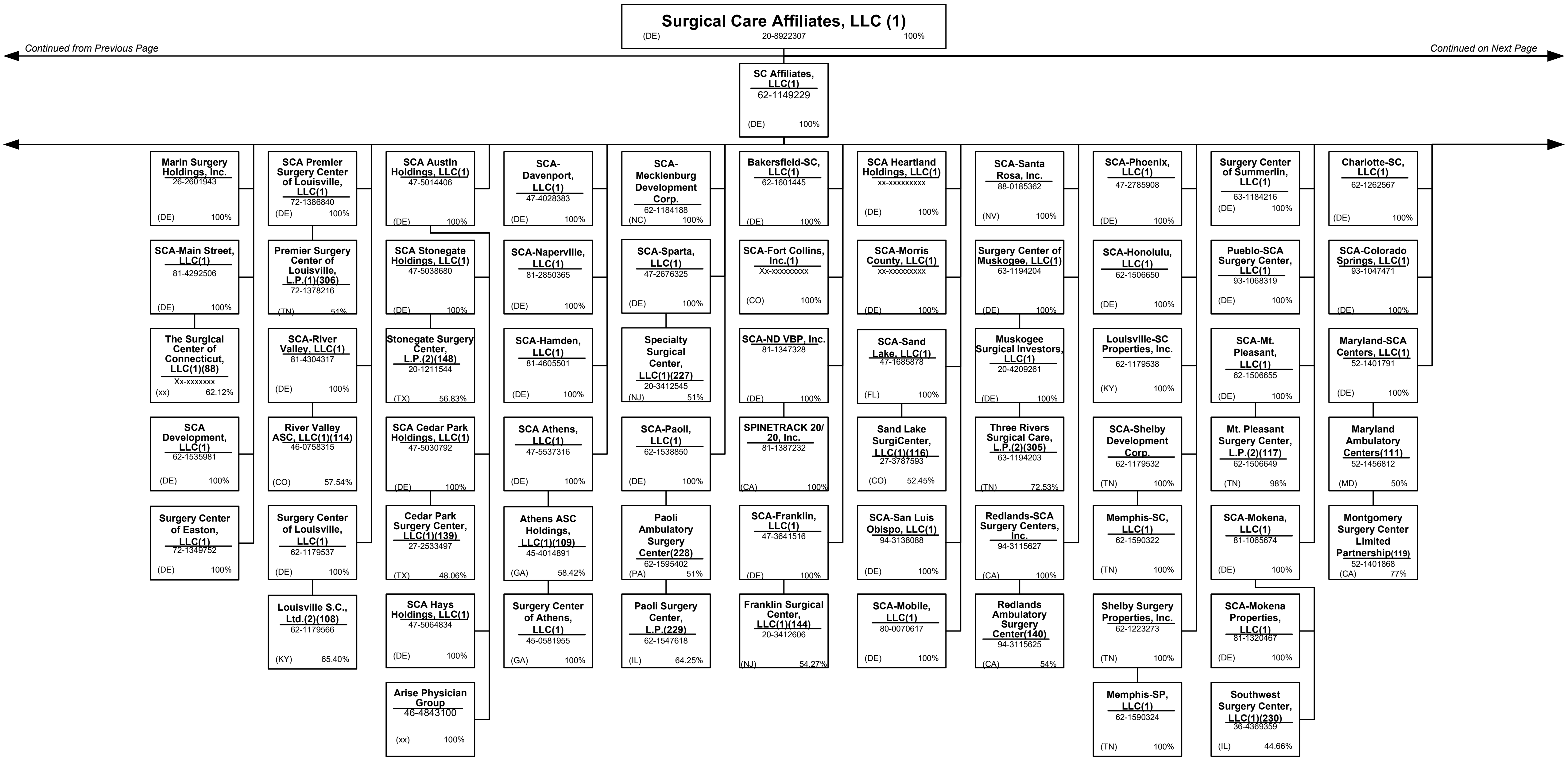

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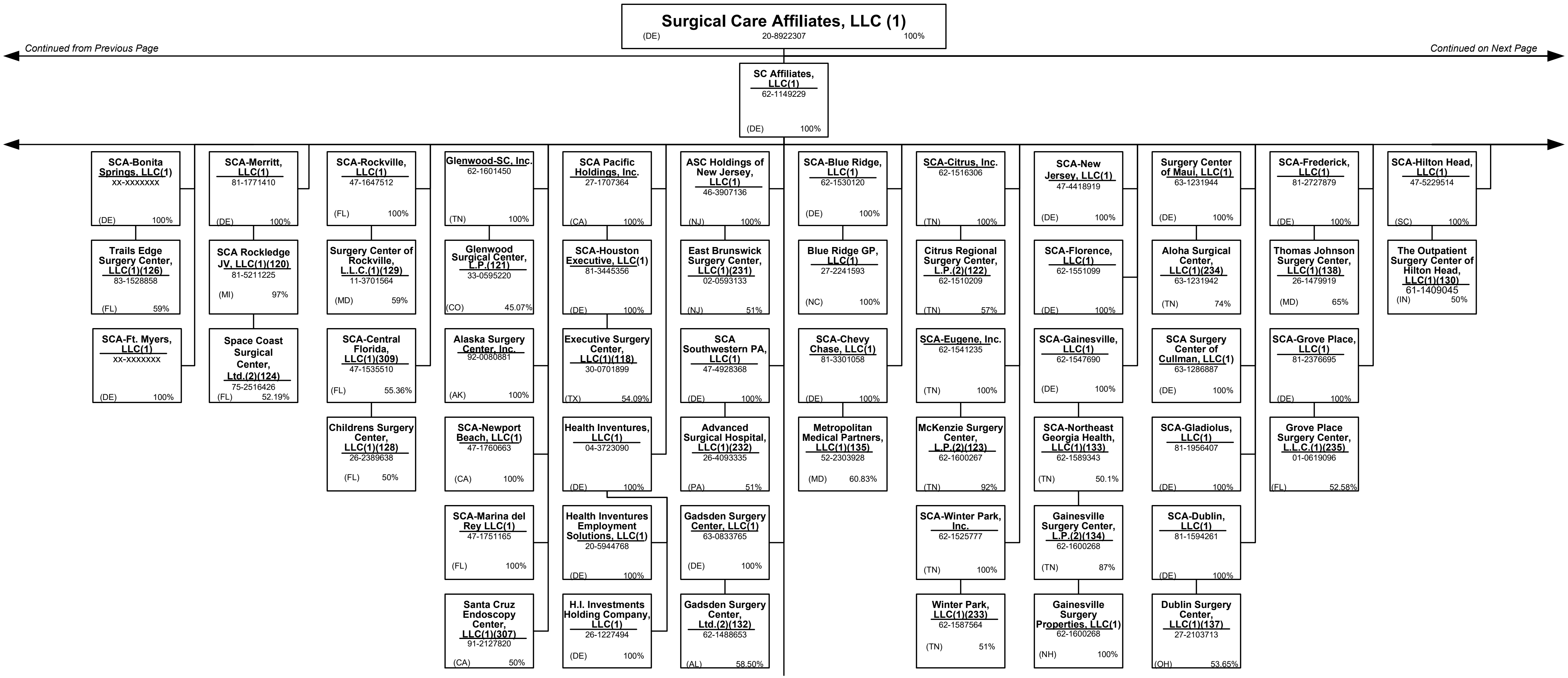

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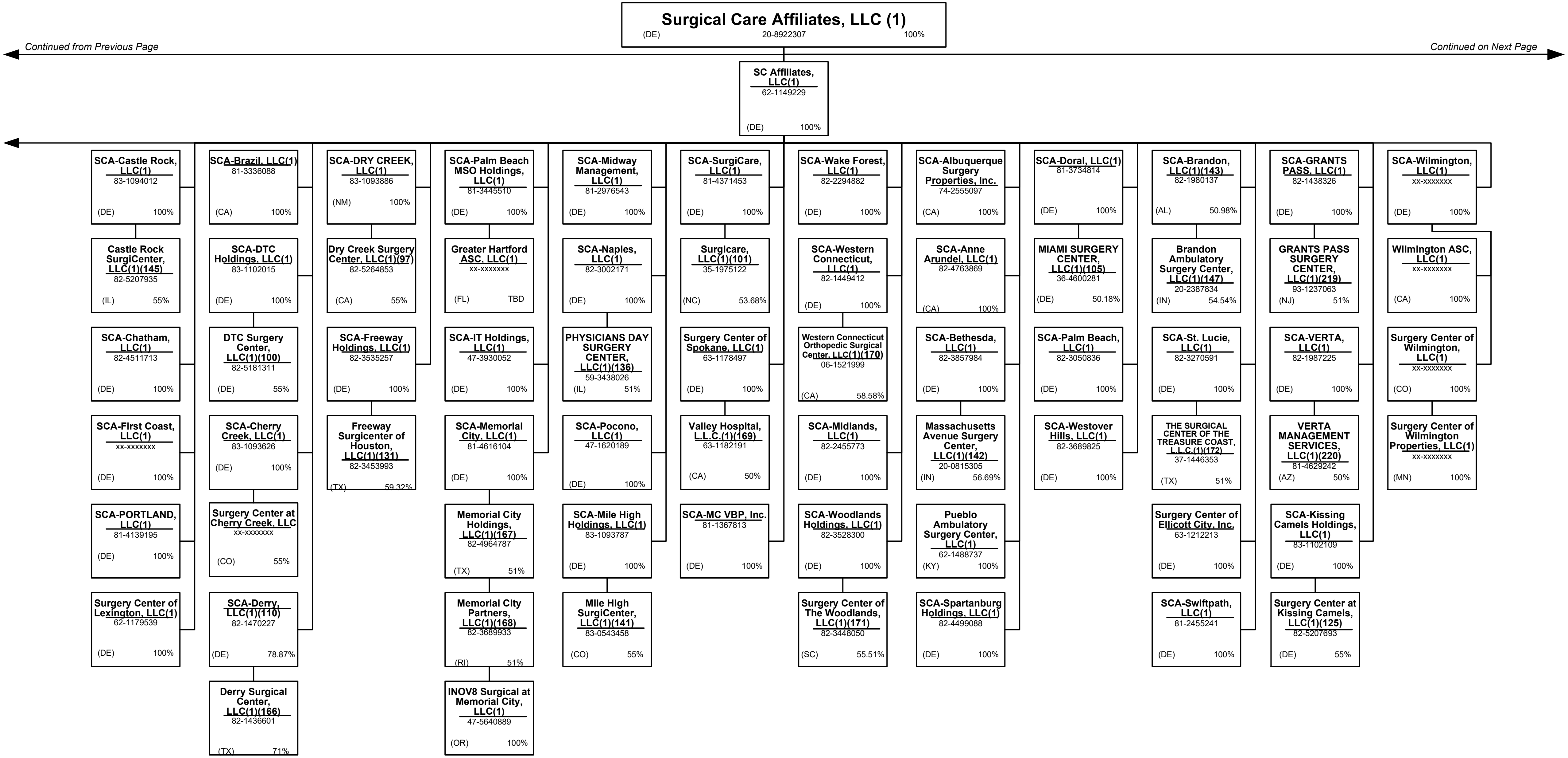

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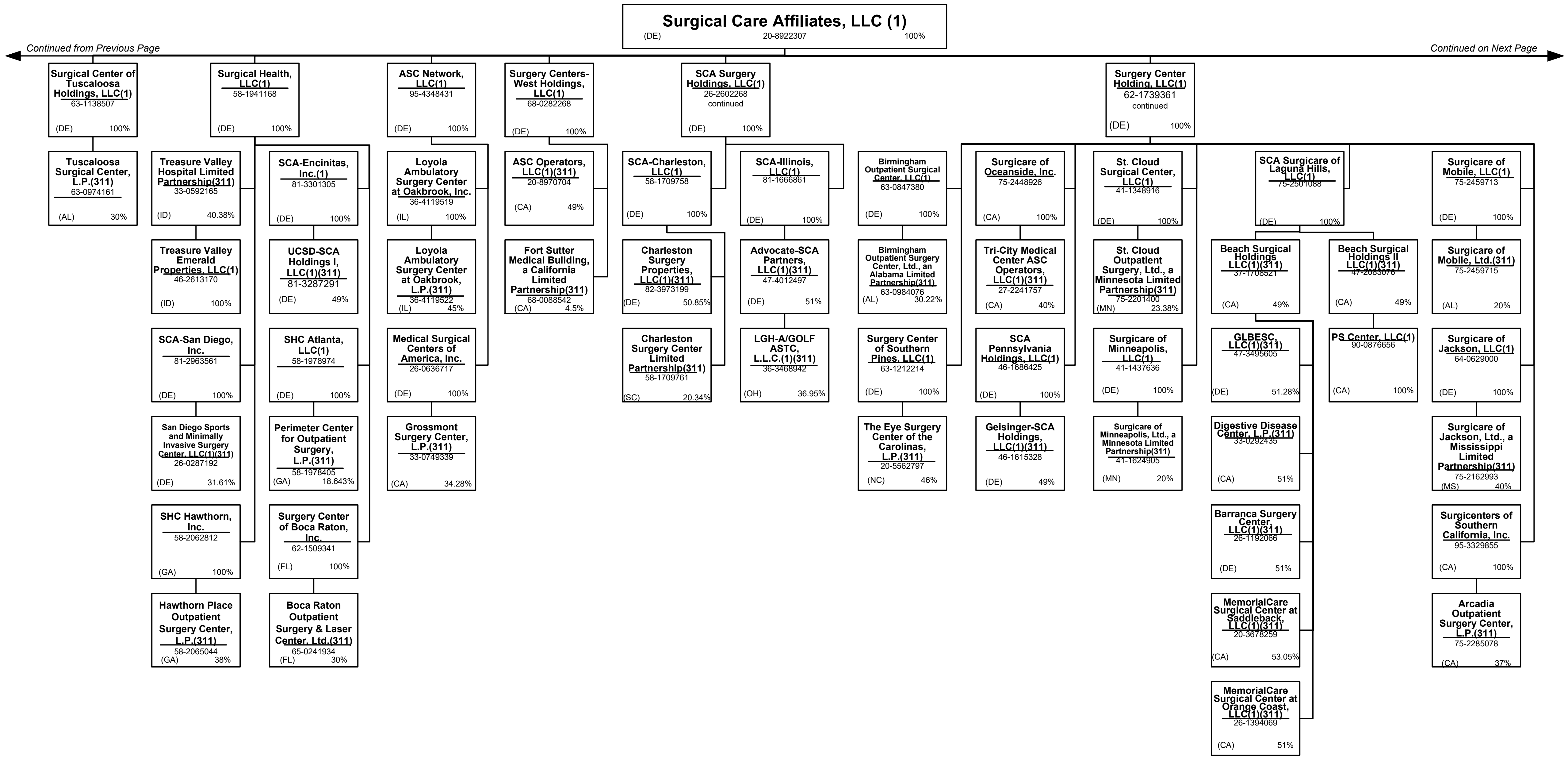

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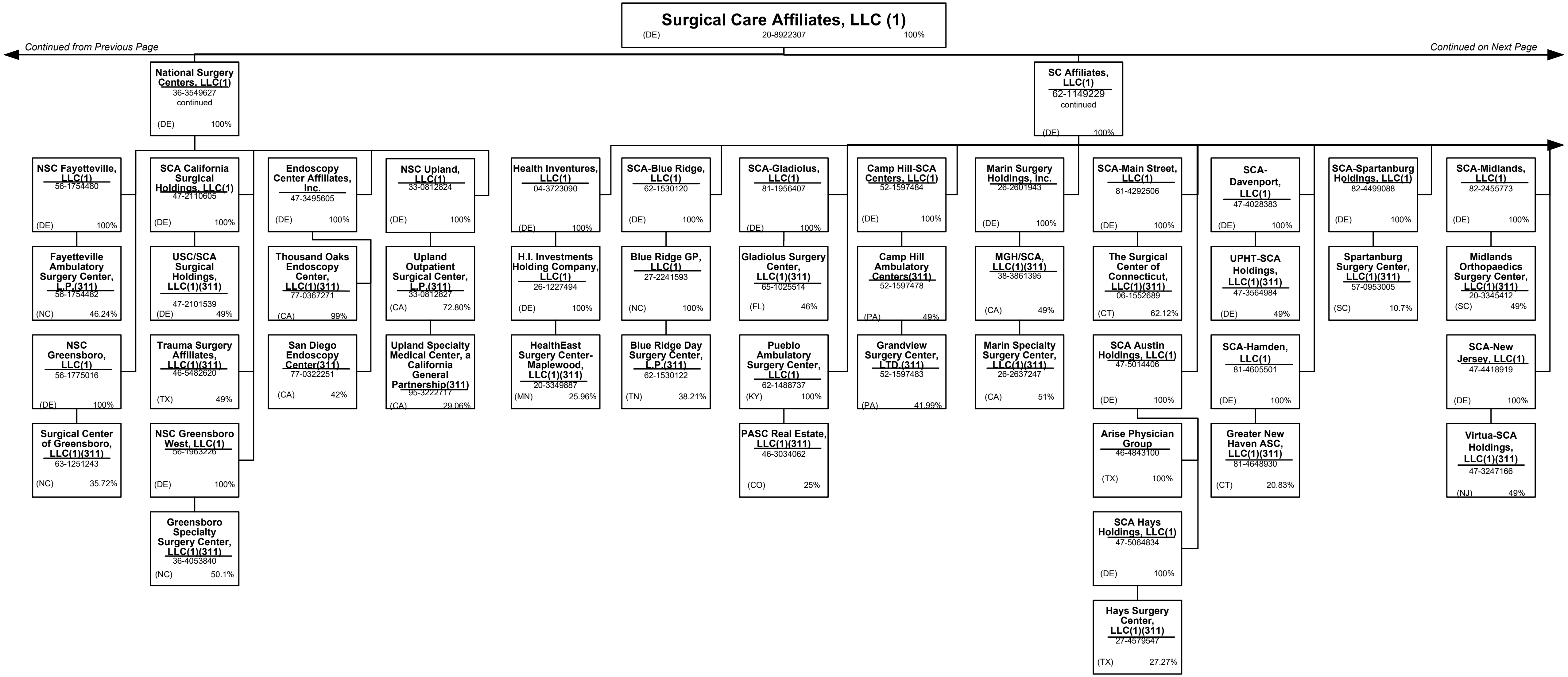

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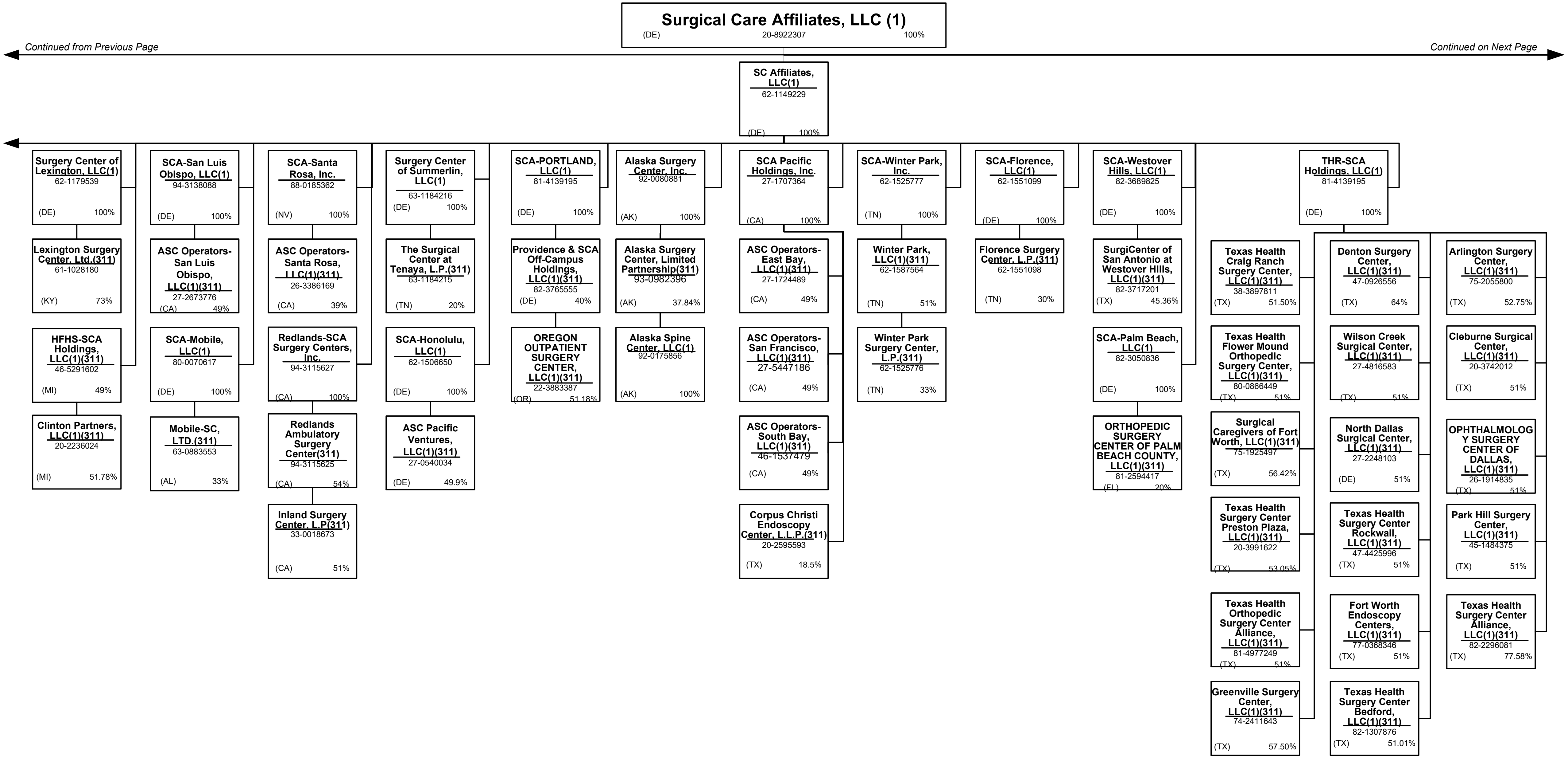

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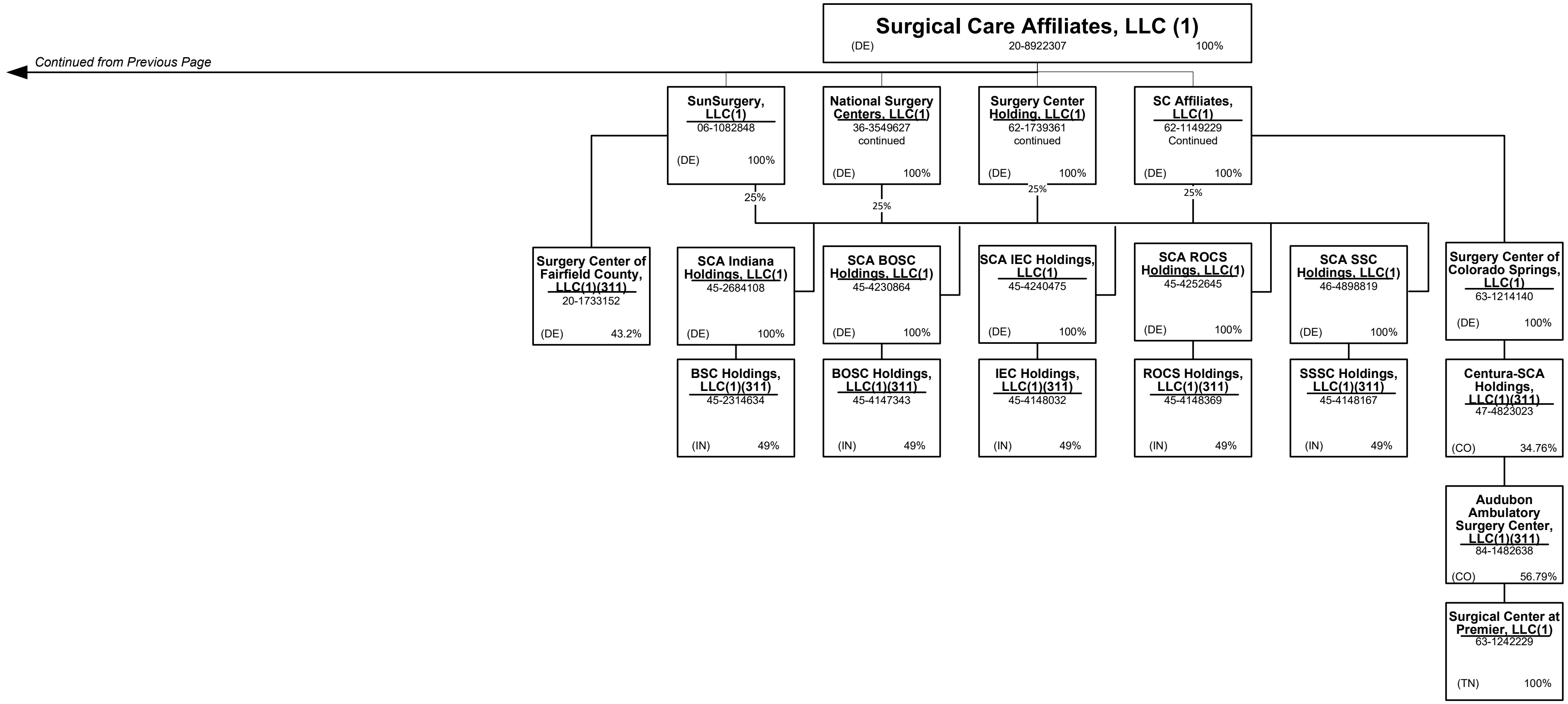
PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



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

PART 1 – ORGANIZATIONAL CHART

Physician Owned Entities

Name	Domiciliary Location	ID Number
AppleCare Hospitalists Medical Group, Inc.	CA	14-1890491
AppleCare Medical ACO, LLC	CA	45-2852872
AppleCare Medical Group St. Francis, Inc.	CA	33-0845269
AppleCare Medical Group, Inc.	CA	33-0898174
Aspectus, Inc.	MA	04-3403101
Bexar Imaging Center, LLC	TX	22-3858211
California Spring Holdings, PC	CA	81-0881243
Centers for Family Medicine, GP	CA	33-0483510
Centers for Family Medicine, GP	CA	33-0483510
David Moen, M.D. P.C.	NY	
David R. Ferrell, M.D., P.C.	NV	45-2380022
Day-Op Center of Long Island Inc.	NY	
Durable Medical Equipment, Inc.	MA	04-3106404
Greater Phoenix Collaborative Care, P.C.	AZ	27-2337725
Greater Phoenix Collaborative Care, P.C.	AZ	27-2337725
Homecare Dimensions of Florida, Inc.	TX	
Homecare Dimensions, Inc.	TX	
IN Style OPTICAL, LLC	MA	27-3296953
Inland Faculty Medical Group, Inc.	CA	33-0618077
Inspiris Medical Services of New Jersey, P.C.	NJ	45-2563134
INSPIRIS of Michigan Medical Services, P.C.	MI	27-1561674
INSPIRIS of New York Medical Services, P.C.	NY	13-4168739
INSPIRIS of Pennsylvania Medical Services, P.C.	PA	
March Vision Care Group, Incorporated	CA	95-4874334
March Vision Care IPA, Inc.	NY	27-3115058
Mat-Rx Development, L.L.C.	TX	43-1967820
ME Urgent Care Nebraska, Inc.	NE	81-0936574
MedExpress Employed Services, Inc.	DE	81-1265129
MedExpress Primary Care Arizona P.C.	AZ	81-4550969
MedExpress Primary Care Kansas, P.A.	KS	81-4605885
MedExpress Primary Care Maryland, P.C.	MD	82-3384324
MedExpress Primary Care Massachusetts, P.C.	MA	82-1096099
MedExpress Primary Care Minnesota P.C.	MN	81-4396738
MedExpress Primary Care Oklahoma, P.C.	OK	83-1077265
MedExpress Primary Care South Carolina, P.C.	SC	83-0764858
MedExpress Primary Care Virginia, P.C.	VA	82-3395792
MedExpress Primary Care West Virginia, Inc.	WV	82-4401181
MedExpress Primary Care Wisconsin, S.C.	WI	81-4563448
MedExpress Urgent Care – New Jersey, P.C.	NJ	45-5388778
MedExpress Urgent Care - Northern New Jersey PC	NJ	83-2089623
MedExpress Urgent Care Arizona, P.C.	AZ	81-4030280
MedExpress Urgent Care Arkansas, P.A.	AR	46-4348120
MedExpress Urgent Care California, P.C.	CA	82-0930142
MedExpress Urgent Care Connecticut, P.C.	CT	81-1956812
MedExpress Urgent Care Idaho, P.C.	ID	82-1135336
MedExpress Urgent Care Illinois, P.C.	IL	47-4308614
MedExpress Urgent Care Iowa, P.C.	IA	81-5353472
MedExpress Urgent Care Kansas, P.A.	KS	47-1919283
MedExpress Urgent Care Minnesota P.C.	MN	81-1125396
MedExpress Urgent Care Missouri P.C.	MO	47-3132625
MedExpress Urgent Care North Carolina, P.C.	NC	81-5138747
MedExpress Urgent Care Oregon, P.C.	OR	82-1919436
MedExpress Urgent Care Rhode Island, P.C.	RI	81-5362765
MedExpress Urgent Care South Carolina, P.C.	SC	81-5380706
MedExpress Urgent Care Texas, P.A.	TX	47-5147441
MedExpress Urgent Care Washington, P.C.	WA	82-2443118
MedExpress Urgent Care Wisconsin, S.C.	WI	81-4281678
MedExpress Urgent Care, Inc. – West Virginia	WV	26-4546400
MedExpress Urgent Care, P.C. – Georgia	GA	47-1804667
MedExpress Urgent Care, P.C. – Indiana	IN	90-0929572
MedExpress Urgent Care, P.C. – Maryland	MD	45-3461101
MedExpress Urgent Care, P.C. – Massachusetts	MA	47-1857908
MedExpress Urgent Care, P.C. – Michigan	MI	46-4793937
MedExpress Urgent Care, P.C. – Oklahoma	OK	47-1824365
MedExpress Urgent Care, P.C. – Pennsylvania	PA	26-3750502
MedExpress Urgent Care, P.C. – Tennessee	TN	45-4973138
MedExpress Urgent Care, P.C. – Virginia	VA	45-3123110
MedExpress Urgent Care, P.S.C. - Kentucky	KY	83-1565124
MedExpress, Inc. – Delaware	DE	45-5436856
Medical Clinic of North Texas, PLLC	TX	75-2566987
Medical Support Los Angeles, A Medical Corporation	CA	95-4708497
Memorial Healthcare IPA, GP	CA	95-4688463
Memorial Healthcare IPA, GP	CA	95-4688463
MHCH, Inc.	CA	80-0507474
Mobile Medical Services, P.C.	NY	30-0445773
Monarch Health Plan, Inc.	CA	22-3935634
Monarch HealthCare, A Medical Group, Inc.	CA	33-0587660
Monarch Hospice, LLC	CA	30-0606451
NAMM Medical Group Holdings, Inc.	CA	56-2627070
NAMM MGH, Inc.	CA	61-1627269
Optum Clinic, P.A.	TX	75-2778455
Optum Medical Services of California, P.C.	CA	30-0826311
Optum Medical Services, P.C.	NC	45-3866363
Physician Partners Medical Group, Inc.	CA	30-0516435
Primary Care Associated Medical Group, Inc.	CA	33-0527335
Prime Community Care, Inc.	CA	30-0516440
ProHEALTH Accountable Care Medical Group, PLLC	NY	45-4469117
ProHEALTH Ambulatory Surgery Center, Inc.	NY	11-3447394
ProHEALTH Care Associates LLP	NY	11-3355604
ProHealth Physicians, P.C.	CT	06-1469068
ProHEALTH Urgent Care Medicine of New Jersey LLP	NJ	47-5661535
ProHEALTH Urgent Care Medicine, PLLC	NY	46-1883579
Redlands Family Practice Medical Group, Inc.	CA	56-2627067
Reliant Medical Group, Inc.	MA	22-2912515
Riverside Pediatric Group, P.C.	NJ	22-3624559
Robert B. McBeath, M.D. II, P.C.	NV	86-0857176
Robert B. McBeath, M.D. III, P.C.	NV	
Robert B. McBeath, M.D., Professional Corporation	NV	88-0310956
Surgical Eye Experts, LLC	MA	
Surgicare of La Veta, Ltd.	CA	75-2507129
TeamMD Physicians, P.C.	IA	30-0445773
Urgent Care New York, P.C.	NY	82-2400620
USMD of Arlington GP, L.L.C.	TX	73-1662757
Waypoint Minnesota PC	MN	46-2854394
WellMed Medical Group, P.A.	TX	74-2574229
WellMed Network of Florida, Inc.	TX	35-2314192
WellMed Networks, Inc.	TX	74-2889447
WellMed of Las Cruces, Inc.	TX	92-0183013
WND Medical, PLLC	TX	45-2158334
XLHome Michigan, P.C.	MI	46-3537245
XLHome Northeast, P.C.	NJ	45-5530241
XLHome Oklahoma, Inc.	OK	46-2931689
XLHome, P.C.	MD	27-3543997

Note: Represents physician-owned entities where the ultimate owner is deemed to have influence over the entity.

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

PART 1 – ORGANIZATIONAL CHART

Notes

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

(1) Entity is a Limited Liability Company
(2) Entity is a Partnership
(3) Entity is a Non-Profit Corporation
(4) Control of the Foundation is based on sole membership, not the ownership of voting securities
(5) COI Participações S.A. is 89.10289% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10.8971% owned by COIPAR Participações S.A.
(6) Health Net Services (Cayman) PIC is a Cayman exempted company registered by way of Continuation from Bermuda to the Cayman Islands.
by way of Continuation in the Cayman islands.
(7) UnitedHealthcare India Private Limited is 99.999335% owned by OptumHealthInternational B.V. and 0.000665% owned by UnitedHealth International, Inc. OptumHealth International BV holds 100% of the issued preference shares.
(8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
(9) Newton Holdings, LLC, is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% is owned by outside shareholders.
(10) WellMed Medical Management, Inc. is 85% owned by Collaborative Care Holdings, LLC and 15% owned by WMG Healthcare Partners, L.P.
(11) Seisa Serviços Integrados de Saúde Ltda is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.00001% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.
(12) Optum Health & Technology (India) Private Limited is 99.9995% owned by OptumHealth International B.V. and 0.0005 % owned by United Behavioral Health.
(13) INSPIRIS of Texas Physician Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.
(14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.
(15) Optum Clinics Holdings, Inc. is 97.2% owned by Collaborative Care Holdings, LLC and 2.8% is owned by external shareholders.
(16) Optum Global Solutions (India) Private Limited is 99.999466 % owned by Optum Global Solutions International BV and 0.000534% UnitedHealth International, Inc. as nominee of Optum Global Solutions International BV per India requirement to have two shareholders.
(17) Amico Saúde Ltda. is 98.927933% owned by Amil Assistência Médica Internacional S.A. and 1.072067% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.
(18) Esho – Empresa de Serviços Hospitalares S.A. is 99.667% owned by Amil Assistência Médica Internacional S.A.and the remaining 0.31798923769% is owned by external shareholders and 0.01462081847% is owned by Treasury Shares.
(19) Etho – Empresa de Technologia Hospitalar Ltda. 82.642% owned by Amil Assistência Médica Internacional S.A.and 17.358% owned by an external shareholder.
(20) Orthology, Inc. is 98% owned by UnitedHealth Group Ventures, LLC and 2% owned by external shareholders.
(21) Medalliance Net Ltda. is owned 99.999985% by Optum Health & Technology Serviços do Brasil Ltda. and 0.000015% by UHG Brasil Participações S.A.
(22) Branch offices in Iraq and Uganda.
(23) Cemed Care Empressa de Atendimento Clínico Geral Ltda. Is 99.9999996% owned by Amil Assistência Médica Internacional S.A. and 0.000004% owned by Esho – Empresa de Serviços Hospitalares S.A.
(24) Optum 360, LLC is 69% owned by Optum Rocket, Inc; the remaining 31% is owned by external holders.
(25) Optum Health & Technology Serviços do Brasil Ltda. is 99.9964% owned by Optum Global Solutions International B.V. and .0036% owned by OptumInsight, Inc.
(26) Bosque Medical Center Ltda. is 82.58% owned by Amil Assistência Médica Internacional S.A.and 17.41182% owned by Esho – Empresa de Servicos Hospitalares S.A.
(27) H&W Indemnity (SPC), Ltd. is an exempted segregated portfolio company organized under the laws of the Cayman Islands and holds a Cayman insurance license.
(28) Real Appeal, Inc. is 98% owned by Rally Health, and the remaining 2% is owned by external shareholders.
(29) Optum Global Solutions (Philippines), Inc. is 99.992% owned by Optum Global Solutions International B.V., and the remaining 0.008% is held by individual shareholders who are directors of the company.
(30) Amil Clinical Research Participações Ltda. is 99.95% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.05% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.
(31) Imed Star Serviços de Desempenho Organizacional Ltda. is 99.99998% owned by Optum Health & Technology Serviços do Brasil Ltda and 0.00002% owned by UHG Brasil Participações S.A.
(32) Hospital de Clínicas de Jacarepaguá Ltda. is 99.999999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000001% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
(33) Hospital Alvorada Taguatinga Ltda. is 82.595% owned by Amil Assistência Médica Internacional S.A, 9.90% by Bosque Medical Center Ltda., and 5.06% is owned by Hospital Samaritano de São Paulo Ltda.
(34) Registered as foreign shareholder in Brazil. Optum Global Solutions International B.V. is held 97.48% by Optum Technology, Inc. and 2.52% by OptumHealth International B.V.
(35) FrontierMEDEX Kenya Limited is 99.9% owned by UnitedHealthcare Global Medical (UK) Limited and 0.1% owned by UnitedHealthcare International I B.V.
(36) UnitedHealthcare Global Canada Limited is registered in Nova Scotia and Newfoundland& Labrador.
(37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (29.39634%), and UnitedHealth Group Incorporated (70.60366%).
(38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.
(39) Optum Global Solutions International B.V. is 97.48% owned by Optum Technology, Inc. and 2.52% is owned by OptumHealth International B.V.
(40) Amil Assistência Médica Internacional S.A. is 91.81% owned by Polar II Fundo de Investimento em Participações and the remaining 8.19% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.
(41) Lusíadas A.C.E. is 55% owned by Lusíadas, SGPS, S.A., 10% owned by Lusíadas – Parcerias Cascais, S.A., 20% owned by Lusiadas, S.A., 5% owned by Clínica Médico Cirúrgica de Santa Tecla, S.A. and 10% owned by CLISA – Clínica de Santo António, S.A.
(42) Centro Médico PJ Ltda. is 99.99998% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00002% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
(43) Frontier Medex Tanzania Limited is 99% owned by UnitedHealthcare Global Medical (UK) Limited. The remaining 1% is owned by a former officer of Frontier MEDEX Limited and is being transferred to UnitedHealthcare International I BV.
(44) Optum Solutions do Brasil – Tecnologia e Serviços de Suporte Ltda., is 99.999998% owned by Optum Global Solutions International B.V.and 0.00002% owned by OptumInsight, Inc.(45) Multiangio Ltda. is 93% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 7% is owned by external shareholders.
(46) Polo Holdco, LLC is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% being owned by an outside third party.
(47) Excellion Serviços Biomédicos Ltda is 99.999997% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000003% is owned by Cemed Care - Empresa de Atendimento Clínico Geral Ltda.
(48) Hospital Samaritano de São Paulo Ltda. is 99.9999998% owned by Esho – Empresa de Serviços Hospitalares S.A.and the remaining 0.0000002% is owned by Hospital Alvorada Taguatinga Ltda.
(49) Optum360 Services, Inc.is 69% owned by Optum Rocket, Inc. and the remaining 31% is owned by external investors.
(50) ABCO India Private Limited is 99% owned by ABCO International Holdings, LLC and 1% owned by The Advisory Board Company.
(51) Branch office located in the United States.
(52) UnitedHealthcare Insurance Company has a representative office in Beijing, China.
(53) ProHEALTH Medical Management, LLC is 80% owned by Collaborative Care Holdings, LLC and 20% owned by an external shareholder.
(54) ProHEALTH Fitness of Lake Success, LLC is 82.62% owned by ProHEALTH Medical Management, LLC and 17.38% by an external shareholder.
(55) Savvysherpa Asia, Inc. is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
(56) Fortify Technologies Asia, LLC is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
(57) Virtual Therapeutics Corporation is 67% owned by Savvysherpa, LLC and the remaining 33.4% is owned by an outside third party.
(58) BriovaRx Infusion Services 301, LP is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by BriovaRx Infusion Services 305, LLC.
(59) XLHealth Corporation holds 99.998%, UnitedHealth International, Inc. holds .002%.
(60) Hospitais Associados de Pernambuco Ltda. is 99.99992% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 0.00008% is owned by Hospital Alvorada Taguatinga Ltda
(61) Topimagem Diagnóstico por Imagem Ltda.is 99% owned by Esho – Empresa de Serviços Hospitalares S.A., and the remaining 1% interest is owned by external shareholders.
(62) Dilab – Medicina Nuclear Ltda is 95% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 5% is owned by external shareholders.
(63) WellMed Networks – DFW, Inc. is 50% owned by WellMed Networks, Inc. and 50% owned by USMD Inc. WellMed Medical Management, Inc. controls 100% of WellMed Networks - DFW.
(64) Clinica Oftalmologica Danilo de Castro Sociedade Simples is 99.66% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.333333% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
(65) Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda. is 99.99% owned by Hospital Alvorada de Taguatinga Ltda.and the remaining 0.000012% is owned by Esho – Empresa de Serviços Hospitalares S.A.

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

PART 1 – ORGANIZATIONAL CHART

Notes

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

(66) CMO – Centro Médico de Oftalmologia S/S Ltda. is 99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 1% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
(67) UHCG-FZE is registered in the Dubai Silicon Oasis free zone.
(68) Elual Participações S.A. is 60% owned by Amil Assistência Médica Internacional S.A. and 40% by Esho – Empresa de Serviços Hospitalares S.A.
(69) Hospital Santa Helena S.A. is 65.21% owned by Elual Participações S.A. and 33.60% owned by Esho – Empresa de Serviços Hospitalares S.A. and 1.19% is owned by external shareholder
(70) Santa Helena Assistência Médica S.A. is 65.21% owned by Elual Participações S.A. and the remaining 33.60% is owned by Amil Assistência Médica Internacional S.A. and 1.19% is owned by external shareholder.
(71) Registered branches in Australia and the UK.(72) Hospital Ana Costa S.A. is 98.66950% owned by Plano de Saúde Ana Costa Ltda.,1.04247% by Hospital Alvorada Taguatinga Ltda. and the remaining 0.28802% is owned by external shareholders.
(73) The remaining 42.50% is owned by multiple sources.
(74) The remaining 0.0001% is owned by Amil Assistência Médica Internacional S.A.
(75) The remaining 32.06% is owned by multiple sources.
(76) Hospital Alvorada de Taguatinga Ltda. decreased its ownership in Casa de Saúde Santa Therezinha S.A. from 100% to 99.99%. The remaining 0.000001% is owned by Esho – Empresa de Serviços Hospitalares S.A.
(77) The remaining 49% is owned by multiple sources.
(78) The remaining 0.0005% is owned by Hospital Alvorada Taguatinga Ltda.
(79) The remaining 26.96% is owned by multiple sources.
(80) Registered in the Dubai Healthcare City free zone.
(81) UnitedHealthcare International X S.á.r.l. (holds 100% of the common shares, 403,948,524 common shares).
UnitedHealthcare International V S.á.r.l. (holds 100% of the preferred shares, 513,899,520)
(82) Plano de Saúde Ana Costa Ltda. is 74.85961% owned by Amil Assistência Médica. Internacional S.A. and the remaining 25.14039% is owned by Santos Administração e Participações S.A.
(83) OptumInsight, Inc. is registered as foreigh shareholders in Brazil.
(84) The remaining 49% is owned by multiple sources.
(85) The remaining 28% is owned by multiple sources.
(86) The remaining 37.26% is owned by multiple sources.
(87) The remaining 49.59% is owned by multiple sources.
(88) The remaining 37.88% is owned by multiple sources.
(89) The remaining 49.28% is owned by multiple sources..
(90) The remaining 23.55% is owned by multiple sources.
(91) The remaining 39% is owned by multiple sources.
(92) The remaining 1% is owned by multiple sources.
(93) The remaining 45.97% is owned by multiple sources.
(94) The remaining 38.80% is owned by multiple sources.
(95) The remaining 49% is owned by multiple sources.
(96) The remaining 16.51% is owned by multiple sources.
(97) The remaining 45% is owned by multiple sources.
(98) The remaining 27.20% is owned by multiple sources.
(99) The remaining 49.15% is owned by multiple sources.
(100) The remaining 45% is owned by multiple sources.
(101) The remaining 33% is owned by multiple sources.
(102) UnitedHealthcare International X S.á.r.l. (holds 100% of the common shares, 403,948,524 common shares).
UnitedHealthcare International V S.á.r.l. (holds 100% of the preferred shares, 513,899,520)
(103) The remaining 0.01% is owned by an individual shareholder.
(104) The remaining 1% is owned by multiple sources.
(105) The remaining 49.82% is owned by multiple sources.
(106) The remaining 32.05% is owned by multiple sources.
(107) The remaining 46.77% is owned by multiple sources.
(108) The remaining 34.6% is owned by multiple sources.
(109) The remaining 41.58% is owned by multiple sources.
(110) The remaining 21.13% is owned by multiple sources.
(111) The remaining 50% is owned by multiple sources.
(112) The remaining 19.9% is owned by Nineteen.Nine Holdings, LLC.
(113) The remaining 0.01% is owned by an individual shareholder.
(114) The remaining 42.46% is owned by multiple sources.
(115) The remaining 49% is owned by multiple sources.
(116) The remaining 47.55% is owned by multiple sources.
(117) The remaining 2% is owned by multiple sources.
(118) The remaining 45.91% is owned by multiple sources.
(119) The remaining 23% is owned by multiple sources.
(120) The remaining 3% is owned by multiple sources.
(121) The remaining 54.93% is owned by multiple sources.
(122) The remaining 43% is owned by multiple sources.
(123) The remaining 8% is owned by multiple sources.
(124) The remaining 47.81% is owned by multiple sources.
(125) The remaining 45% is owned by multiple sources.
(126) The remaining 41% is owned by multiple sources.
(127) The co-founders of Pacifica Labs, Inc. own the remaining 14.21%.
(128) The remaining 50% is owned by multiple sources.
(129) The remaining 41% is owned by multiple sources.
(130) The remaining 50% is owned by multiple sources.
(131) The remaining 40.68% is owned by multiple sources.
(132) The remaining 51.50% is owned by multiple sources.
(133) The remaining 49.9% is owned by multiple sources.
(134) The remaining 13% is owned by multiple sources.
(135) The remaining 39.17% is owned by multiple sources.
(136) The remaining 49% is owned by multiple sources.
(137) The remaining 46.34% is owned by multiple sources.
(138) The remaining 35% is owned by multiple sources.
(139) The remaining 48.06% is owned by multiple sources.
(140) The remaining 46% is owned by multiple sources.
(141) The remaining 45% is owned by multiple sources.
(142) The remaining 43.31% is owned by multiple sources.
(143) The remaining 49.02% is owned by multiple sources.
(144) The remaining 45.73% is owned by multiple sources.
(145) The remaining 45% is owned by multiple sources.
(146) The remaining 27.47% is owned by multiple sources.
(147) The remaining 45.46% is owned by multiple sources.
(148) The remaining 43.16% is owned by multiple sources.
(149) The remaining 23.26% is owned by multiple sources.
(150) The remaining 41.30% is owned by multiple sources.
(151) The remaining 49% is owned by multiple sources.
(152) The remaining 36.7% is owned by multiple sources.
(153) The remaining 26.96% is owned by multiple sources.
(154) The remaining 40.35% is owned by multiple sources
(155-165) TBD
(166) The remaining 29% is owned by multiple sources.
(167) The remaining 49% is owned by multiple sources.
(168) The remaining 49% is owned by multiple sources.
(169) The remaining 50% is owned by multiple sources.
(170) The remaining 40.41% is owned by multiple sources.
(171) The remaining 44.49% is owned by multiple sources.
(172) The remaining 49% is owned by multiple sources.
(173-218) TBD
(219) The remaining 49% is owned by multiple sources.
(220) The remaining 50% is owned by multiple sources.
(221) Hygeia Corporation, a Delaware corporation, acquired a 1.28978% ownership interest in FMG Holdings LLC, a Delaware limited liability company.
(223) The remaining 40% is owned by multiple sources.
(224) The remaining 49% is owned by multiple sources.
(225) The remaining 48.7% is owned by multiple sources.
(226) The remaining 31.14% is owned by multiple sources.
(227) The remaining 49% is owned by multiple sources.
(228) The remaining 49% is owned by multiple sources.
(229) The remaining 35.75% is owned by multiple sources.
(230) The remaining 55.33% is owned by multiple sources.
(231) The remaining 49% is owned by multiple sources.
(232) The remaining 49% is owned by multiple sources.
(233) The remaining 49% is owned by multiple sources.
(234) The remaining 26% is owned by multiple sources.
(235) The remaining 47.42% is owned by multiple sources
(236) The remaining 1.77% is owned by external shareholders.
(237) The remaining 0.1% is owned by Inversiones Clínicas Santa María S.A.
(238) Minority ownership is held by thid party shareholders. Corporate name is Inmobiliaria Santa María S.A.
(239) The remaining 0.0001% is owned by Clínica Dávila y Servicios Médicos S.A.
(240) Constructora Inmobiliaria Megapoq S.A owns 1 share.
(241) The remaining 0.0001% is owned by Saden S.A.
(242) Minority ownership is held by several third party shareholders.
(243) In acordance to a capital increase executed on 2018, Clínica Santa María S.A. owns 99,9% of the shares. Minority ownership is held by Sociedad de Inversiones Santa María S.A.
(244) The remaining 0.2569% is owned by Clínica Dávila y Servicios Médicos S.A.
(245) The remaining 0.8238% is owned by Clínica Santa María S.A.
(246) The remaining 0.009% is owned by Clínica Santa María S.A.
(247) The remaining 0.10% is owned by Clínica Santa María S.A.
(248) The remaining 50% is owned by Clínica Santa María S.A.
(249) The remaining 1% is owned by Servicios Integrados de Salud Ltda.
(250) The remaining 1% is owned by Servicios Integrados de Salud Ltda.
(251) The remaining 0.1% is owned by Inmobiliaria Apoquindo 3600 Ltda.
(252) The remaining 0.02% is owned by Saden S.A.
(253) The remaining 0.0001% is owned by Saden S.A.
(254) The remaining 0.159% is owned by Saden S.A.
(255) The remaining 0.01% is owned by Saden S.A.
(256) The remaining 0.01% is owned by Clínica Dávila y Servicios Médicos S.A.
(257) The remaining 25.75% is owned by several third party shareholders.
(258) The remaining 6.55% is owned by third party shareholders.
(259) The remaining 0.1% is owned by Servicios Amed Quilpué S.A.

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

PART 1 – ORGANIZATIONAL CHART

Notes

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

(260) The remaining 0.1% is owned by Laboratorios Médicos Amed Quilpué S.A.
(261) The remaining 50% is owned by Gorki Osorio Vargas (25%) and Danilo Valderrama Torrealba (25%).
(262) The remaining 0.1% is owned by Simón Sacks Link.
(263) The remaining 15.5% is owned by third pary shareholders.
(264) The remaining 6,66% is owned by Centromed Quilpué S.A.
(265) The remaining 0.000065% is owned by Clínica Dávila y Servicios Médicos S.A.
(266) The remaining 0.0001% is owned by Banmédica S.A.
(267) The remaining 1% is owned by Saden S.A.
(268) The remaining 0.0001% is owned by Banmédica S.A.
(269) The remaining 1% is owned by Saden S.A.
(270) The remaining 0.0001% is owned by Banmédica S.A.
(271) The remaining 1% is owned by Saden S.A.
(272) Inmobiliaria Megapoq S.A owns 1 share (0,0000%)
(273) The remaining 7.62% is owned by Banmédica Colombia S.A. (7.619%), Juan Guillermo Ruiz (0.000142%) and Servicios Legales Corporativos Ltda. (0.000142%).
(274) No information of the minority shareholder(s) has been provided.
(275) No information of the minority shareholder(s) has been provided.
(276) No information of the minority shareholder(s) has been provided.
(277) No information of the minority shareholder(s) has been provided.
(278) The other shareholder, with the other 50% is El Pacífico-Peruano Suiza Compañía de Seguros y Reaseguros S.A., part of the Credicorp Group
(279) No information of the minority shareholder(s) has been provided.
(280) No information of the minority shareholder(s) has been provided.
(281) No information of the minority shareholder(s) has been provided.
(282) No information of the minority shareholder(s) has been provided.
(283) No information of the minority shareholder(s) has been provided.
(284) No information of the minority shareholder(s) has been provided.
(285) No information of the minority shareholder(s) has been provided.
(286) The remaining 0.0001% is owned by Clínica Dávila y Servicios Médicos S.A.
(287) The remaining 0.00004% is owned by Saden S.A.
(288) The remaining 0.00004% is owned by Saden S.A.
(289) The remaining 0.0017% is owned by Saden S.A.
(290) The remaining 0.0001% is owned by Saden S.A.
(291) The remaining 0.08% is owned by Clínica Dávila y Servicios Médicos S.A.
(292) TBD
(293) No information of the other shareholder(s) has been provided.
(294) The remaining 0.3% is owned by Inmobiliaria Apoquindo 3001 S.A.
(294) Inmobiliaria Megapoq S.A owns 1 share (0,0000%)
(295) The remaining 0.0001% is owned by Saden S.A.
(296) The remaining 0.0008% is owned by Vida Tres Internacional S.A.
(297) The remaining 0.01% is owned by Saden S.A.
(298) Currently undergoing a liquidation procedure
(299) No information of the other shareholder(s) has been provided
(300) No information of the other shareholder(s) has been provided
(301) Banmédica S.A. owns 9.67% and Promotora del Country S.A. (Colombia) owns 0.23%. This Patrimony has two business units (Conuntry and Hill).
(302) The remaining 49.2% is owned by third party shareholders.
(303) The remaining 49% is owned by multiple sources.
(304) The remaining 49% is owned by multiple sources
(305) The remaining 27.47% is owned by multiple sources
(306) The remaining 49% is owned by multiple sources
(307) The remaining 50% is owned by multiple sources.
(308) The remaining 33% is owned by multiple sources.
(309) The remaining 44.64% is owned by multiple sources.
(310) The remaining 19.9% is owned by an external third party.
(311) This entity is a minority-owned entity for which the ultimate owner, UnitedHealth Group, Inc., is deemed to have influence over the entity. The remaining ownership is by a non-affiliated entity or entities.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Fines and Penalties	75,000	75,000
2505. Unclaimed Property Payable	0	168
2597. Summary of remaining write-ins for Line 25 from overflow page	75,000	75,168

Additional Write-ins for Exhibit 2 Line 9.3

	Insurance				5	6
	1	Accident and Health		4		
	Life	2 Cost Containment	3 All Other	All Other Lines of Business	Investment	Total
09.304. Professional Fees and Consulting	23,858	1,603,472	14,270,016			15,897,346
09.305. Training and Recruiting	700	46,705	415,664			463,069
09.397. Summary of remaining write-ins for Line 9.3 from overflow page	24,558	1,650,177	14,685,680	0	0	16,360,415

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)