LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015

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 Indiana

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 Jeremy Michael Schoettle (Name), 317-715-7918 (Area Code) (Telephone Number)

jschoettle@unitedhealthone.com (E-mail Address), 317-298-0875 (FAX Number)

OFFICERS

President, Chief Executive Officer, Chair	Patrick Francis Carr	Treasurer	Robert Worth Oberrender
Secretary	Richard Charles Sullivan	Vice President, Chief Financial Officer	James Elmer Prochnow #

OTHER

Michael Lee Corne, Vice President	Nyle Brent Cottington, Vice President	James Mark Gabriel, Senior Vice President
Michelle Marie Huntley, Assistant Secretary	Timothy Allen Luker, Appointed Actuary	

DIRECTORS OR TRUSTEES

Patrick Francis Carr	Michael Lee Corne	Douglas Ford Crockett #
James Mark Gabriel	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 President, Chief Executive Officer, Chair	Richard Charles Sullivan Secretary	James Elmer Prochnow 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)	480,094,970		480,094,970	570,602,891
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)	2,883,251		2,883,251	3,190,599
	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 ($ (3,743,631) , Schedule E - Part 1), cash equivalents ($ 901,014 , Schedule E - Part 2) and short-term investments ($ 30,251,055 , Schedule DA)	27,408,438		27,408,438	65,631,157
6.	Contract loans (including $ premium notes)			0	0
7.	Derivatives (Schedule DB)			0	0
8.	Other invested assets (Schedule BA)	17,287,933		17,287,933	19,682,374
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)	527,674,592	0	527,674,592	659,107,022
13.	Title plants less $ charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	4,351,314		4,351,314	5,366,259
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	13,408,280	7,882	13,400,398	16,398,985
	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 ($) and contracts subject to redetermination ($ 316,131)	316,131		316,131	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	2,275,394		2,275,394	75,000
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts	577,329		577,329	751,586
17.	Amounts receivable relating to uninsured plans			0	0
18.1	Current federal and foreign income tax recoverable and interest thereon	19,514,722		19,514,722	3,992,737
18.2	Net deferred tax asset	21,117,247	6,686,642	14,430,605	13,975,034
19.	Guaranty funds receivable or on deposit	3,173,632		3,173,632	1,939,050
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($)			0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates	43,029,268		43,029,268	9,393,510
24.	Health care ($ 6,822,130) and other amounts receivable	9,255,605	2,433,475	6,822,130	7,209,268
25.	Aggregate write-ins for other than invested assets	5,001,871	5,001,871	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	649,695,385	14,129,870	635,565,515	718,208,451
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	649,695,385	14,129,870	635,565,515	718,208,451
	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	5,001,871	5,001,871	0	0
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	5,001,871	5,001,871	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Aggregate reserve for life contracts $ 56,371 (Exh. 5, Line 9999999) less $ included in Line 6.3 (including $ Modco Reserve)	56,371	50,631
2.	Aggregate reserve for accident and health contracts (including $ 0 Modco Reserve)	75,477,817	84,122,300
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)	632,862	599,892
	4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	166,504,260	166,270,488
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 $ 17,637,063 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)	17,652,742	18,760,442
9.	Contract liabilities not included elsewhere:		
	9.1 Surrender values on canceled contracts		
	9.2 Provision for experience rating refunds, including the liability of $ 13,328,242 accident and health experience rating refunds of which $ 12,286,208 is for medical loss ratio rebate per the Public Health Service Act	13,328,242	37,209,993
	9.3 Other amounts payable on reinsurance, including $ assumed and $ 180,290 ceded	180,290	0
	9.4 Interest maintenance reserve (IMR, Line 6)	8,893,274	8,941,484
10.	Commissions to agents due or accrued-life and annuity contracts $ 119,679 accident and health $ 4,644,287 and deposit-type contract funds $ 0	4,763,966	5,856,561
11.	Commissions and expense allowances payable on reinsurance assumed		
12.	General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	4,047,487	3,665,962
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)	27,334,179	43,259,095
15.1	Current federal and foreign income taxes, including $ on realized capital gains (losses)		
15.2	Net deferred tax liability		
16.	Unearned investment income		
17.	Amounts withheld or retained by company as agent or trustee	44,832	45,626
18.	Amounts held for agents' account, including $ agents' credit balances		
19.	Remittances and items not allocated	1,288,306	1,586,735
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)	2,097,471	2,142,677
	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	0
	24.05 Drafts outstanding	40,681,215	27,862,369
	24.06 Liability for amounts held under uninsured plans		
	24.07 Funds held under coinsurance		
	24.08 Derivatives	0	
	24.09 Payable for securities	2,421,604	2,421,604
	24.10 Payable for securities lending		
	24.11 Capital notes $ and interest thereon $		
25.	Aggregate write-ins for liabilities	2,134,103	2,229,964
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	367,539,021	405,025,824
27.	From Separate Accounts Statement		
28.	Total liabilities (Lines 26 and 27)	367,539,021	405,025,824
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	39,847,998	50,205,501
35.	Unassigned funds (surplus)	210,753,776	245,552,406
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)	264,763,790	309,919,923
38.	Totals of Lines 29, 30 and 37 (Page 4, Line 55)	268,026,494	313,182,627
39.	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	635,565,515	718,208,451
	DETAILS OF WRITE-INS		
2501.	Accrued Cost of Claims Savings	472,562	343,254
2502.	Association Group Escrow Account	938,554	1,213,567
2503.	Miscellaneous Liabilities	647,542	594,561
2598.	Summary of remaining write-ins for Line 25 from overflow page	75,445	78,582
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,134,103	2,229,964
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	13,943,725	15,742,915
3402.	Section 9010 ACA Subsequent Fee Year Assessment	25,904,273	34,462,586
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)	39,847,998	50,205,501

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)	1,501,285,262	1,850,627,213
2.	Considerations for supplementary contracts with life contingencies	0	
3.	Net investment income (Exhibit of Net Investment Income, Line 17)	9,480,380	11,737,231
4.	Amortization of Interest Maintenance Reserve (IMR, Line 5)	2,717,258	2,691,801
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)	3,233,053	3,416,097
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	140,809	1,398,526
9.	Total (Lines 1 to 8.3)	1,516,856,762	1,869,870,868
10.	Death benefits	451,710	461,296
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	1,076,426,835	1,389,926,418
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	(12,472,031)	(19,535,844)
20.	Totals (Lines 10 to 19)	1,064,406,514	1,370,851,870
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	62,782,042	86,294,841
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)	127,764,892	177,577,140
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	86,269,425	100,219,404
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	72,464	42,449
28.	Totals (Lines 20 to 27)	1,341,295,337	1,734,985,703
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	175,561,425	134,885,164
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)	175,561,425	134,885,164
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	68,726,657	58,126,178
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)	106,834,768	76,758,986
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ 2,726 (excluding taxes of $ 1,437,180 transferred to the IMR)	(2,726)	(98,106)
35.	Net income (Line 33 plus Line 34)	106,832,042	76,660,881
	CAPITAL AND SURPLUS ACCOUNT		
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	313,182,627	293,495,188
37.	Net income (Line 35)	106,832,042	76,660,881
38.	Change in net unrealized capital gains (losses) less capital gains tax of $		
39.	Change in net unrealized foreign exchange capital gain (loss)		
40.	Change in net deferred income tax	737,509	(981,883)
41.	Change in nonadmitted assets	(971,700)	19,982,238
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	45,206	(243,096)
45.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46.	Surplus (contributed to) withdrawn from Separate Accounts during period		
47.	Other changes in surplus in Separate Accounts Statement		
48.	Change in surplus notes		
49.	Cumulative effect of changes in accounting principles		
50.	Capital changes:		
	50.1 Paid in		
	50.2 Transferred from surplus (Stock Dividend)		
	50.3 Transferred to surplus		
51.	Surplus adjustment:		
	51.1 Paid in	0	0
	51.2 Transferred to capital (Stock Dividend)		
	51.3 Transferred from capital		
	51.4 Change in surplus as a result of reinsurance	(1,799,190)	(1,799,190)
52.	Dividends to stockholders	(150,000,000)	(75,000,000)
53.	Aggregate write-ins for gains and losses in surplus	0	1,068,489
54.	Net change in capital and surplus for the year (Lines 37 through 53)	(45,156,133)	19,687,439
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	268,026,494	313,182,627
	DETAILS OF WRITE-INS		
08.301.	Policyholder Fees	141,463	169,360
08.302.	Gain on Disposal of Fixed Asset	0	948,327
08.303.	Other Income	(654)	280,839
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)	140,809	1,398,526
2701.	Fines and Penalties	72,464	42,449
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)	72,464	42,449
5301.	Correction of Error	0	1,068,489
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	1,068,489

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	1,482,991,299	1,853,598,760
2.	Net investment income	18,864,709	21,426,716
3.	Miscellaneous income	140,808	1,398,526
4.	Total (Lines 1 through 3)	1,501,996,816	1,876,424,002
5.	Benefit and loss related payments	1,077,999,581	1,424,078,735
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	293,635,028	357,536,974
8.	Dividends paid to policyholders	0	0
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	85,688,548	40,350,813
10.	Total (Lines 5 through 9)	1,457,323,157	1,821,966,522
11.	Net cash from operations (Line 4 minus Line 10)	44,673,659	54,457,480
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	280,761,116	319,425,733
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	69,845	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)	280,830,961	319,425,733
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	192,992,851	302,870,754
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	0	5,414,486
	13.7 Total investments acquired (Lines 13.1 to 13.6)	192,992,851	308,285,240
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)	87,838,110	11,140,493
	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	150,000,000	75,000,000
	16.6 Other cash provided (applied)	(20,734,488)	1,983,685
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(170,734,488)	(73,016,315)
	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)	(38,222,719)	(7,418,342)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	65,631,157	73,049,499
	19.2 End of year (Line 18 plus Line 19.1)	27,408,438	65,631,157

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	Ordinary			6	Group		Accident and Health			12
				3	4	5		7	8	9	10	11	
		Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1.	Premiums and annuity considerations for life and accident and health contracts	1,501,285,263	0	98,638	0		0	1,258,616	0	1,281,402,227	0	218,525,783	
2.	Considerations for supplementary contracts with life contingencies	0											
3.	Net investment income	9,480,380		623				7,948		8,091,854		1,379,956	
4.	Amortization of Interest Maintenance Reserve (IMR)	2,717,258		179				2,278		2,319,279		395,522	
5.	Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6.	Commissions and expense allowances on reinsurance ceded	3,233,053	0	2,333,138	800,415		0	90,475	0	8,301	0	724	
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	140,809	0	16	0	0	0	145	0	118,535	0	22,113	0
9.	Totals (Lines 1 to 8.3)	1,516,856,763	0	2,432,593	800,415	0	0	1,359,462	0	1,291,940,196	0	220,324,098	0
10.	Death benefits	451,710		14,766				436,944					
11.	Matured endowments (excluding guaranteed annual pure endowments)	0											
12.	Annuity benefits	0											
13.	Disability benefits and benefits under accident and health contracts	1,076,426,835								916,926,382	0	159,500,453	
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	(12,472,031)		(374)				6,114		(8,868,941)		(3,608,830)	
20.	Totals (Lines 10 to 19)	1,064,406,514	0	14,392	0	0	0	443,058	0	908,057,441	0	155,891,623	0
21.	Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	62,782,042	0	1,251,000	80,739		0	245,453	0	50,507,259	0	10,697,591	0
22.	Commissions and expense allowances on reinsurance assumed	0	0	0	0		0	0	0	0	0	0	0
23.	General insurance expenses	127,764,892		19,091	55			178,038		109,887,395	0	17,680,312	
24.	Insurance taxes, licenses and fees, excluding federal income taxes	86,269,425		23,471	(55)			333,331		75,490,430		10,422,249	
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	72,464	0	0	0	0	0	493	0	61,576	0	10,395	0
28.	Totals (Lines 20 to 27)	1,341,295,337	0	1,307,954	80,739	0	0	1,200,373	0	1,144,004,101	0	194,702,170	0
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	175,561,426	0	1,124,639	719,676	0	0	159,088	0	147,936,095	0	25,621,928	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)	175,561,426	0	1,124,639	719,676	0	0	159,088	0	147,936,095	0	25,621,928	0
32.	Federal income taxes incurred (excluding tax on capital gains)	68,726,657		(407,094)	(27,202)			23,884		58,957,256		10,179,812	
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)	106,834,769	0	1,531,733	746,878	0	0	135,204	0	88,978,839	0	15,442,116	0
	DETAILS OF WRITE-INS												
08.301.	Policyholder Fees	141,463		16				145		119,086		22,216	
08.302.	Other Income	(654)								(551)		(103)	
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)	140,809	0	16	0	0	0	145	0	118,535	0	22,113	0
2701.	Fines and Penalties	72,464						493		61,576		10,395	
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)	72,464	0	0	0	0	0	493	0	61,576	0	10,395	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	50,631	0	3,401	0	0	0	47,230	0
2. Tabular net premiums or considerations	2,951,830		115,414				2,836,416	
3. Present value of disability claims incurred	0				XXX			
4. Tabular interest	46,358		2,720				43,638	
5. Tabular less actual reserve released	0							
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	0							
8. Totals (Lines 1 to 7)	3,048,819	0	121,535	0	0	0	2,927,284	0
9. Tabular cost	2,992,448		118,508		XXX		2,873,940	
10. Reserves released by death	0			XXX	XXX			XXX
11. Reserves released by other terminations (net)	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)	2,992,448	0	118,508	0	0	0	2,873,940	0
15. Reserve December 31, current year	56,371	0	3,027	0	0	0	53,344	0

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 649,644	578,915
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 12,215,039	11,265,326
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) 1,008,246	1,008,246
5	Contract loans		
6	Cash, cash equivalents and short-term investments	(e) 260,279	265,437
7	Derivative instruments	(f)	
8.	Other invested assets	(2,324,606)	(2,324,606)
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	11,808,602	10,793,318
11.	Investment expenses		(g) 1,003,662
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 1,928
14.	Depreciation on real estate and other invested assets		(i) 307,347
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		1,312,937
17.	Net investment income (Line 10 minus Line 16)		9,480,381
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ 101,008 accrual of discount less $ 6,946,891 amortization of premium and less $ 529,642 paid for accrued interest on purchases.

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

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

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

(e) Includes $ 14,988 accrual of discount less $ 345,254 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 $ 307,347 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	254,337	0	254,337	0	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	3,851,898	(7)	3,851,891	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		0	0		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)	4,106,235	(7)	4,106,228	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	1,264,581		0	0	0	0	0	1,076,406	0	188,175	
2. Deferred and accrued	(3,517,157)		0	0	0	0	0	0	0	(3,517,157)	
3. Deferred , accrued and uncollected:											
3.1 Direct	(2,252,577)		0	0	0	0	0	1,076,406	0	(3,328,982)	
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net (Line 1 + Line 2)	(2,252,577)	0	0	0	0	0	0	1,076,406	0	(3,328,982)	0
4. Advance	4,142,043		0	0	0	0	0	3,278,071	0	863,971	
5. Line 3.4 - Line 4	(6,394,619)	0	0	0	0	0	0	(2,201,666)	0	(4,192,953)	0
6. Collected during year:											
6.1 Direct	157,359,958		87	0	0	725	0	114,432,991	0	42,926,154	
6.2 Reinsurance assumed	0										
6.3 Reinsurance ceded	0										
6.4 Net	157,359,958	0	87	0	0	725	0	114,432,991	0	42,926,154	0
7. Line 5 + Line 6.4	150,965,339	0	87	0	0	725	0	112,231,326	0	38,733,201	0
8. Prior year (uncollected + deferred and accrued - advance)	779,534	0	845	0	0	4,422	0	641,419	0	132,848	0
9. First year premiums and considerations:											
9.1 Direct	150,185,805		(758)	0	0	(3,697)	0	111,589,907	0	38,600,353	
9.2 Reinsurance assumed	0										
9.3 Reinsurance ceded	0										
9.4 Net (Line 7 - Line 8)	150,185,805	0	(758)	0	0	(3,697)	0	111,589,907	0	38,600,353	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	866,649		38,640	828,008	0	0	0	0	0	0	
10.2 Reinsurance assumed	0										
10.3 Reinsurance ceded	866,649		38,640	828,008	0	0	0	0	0	0	
10.4 Net	0	0	0	0	0	0	0	0	0	0	0
RENEWAL											
11. Uncollected	12,143,699		2,588	0	0	14,712	0	10,512,325	0	1,614,074	
12. Deferred and accrued	(13,508,533)		0	0	0	0	0	(13,759,042)	0	250,509	
13. Deferred, accrued and uncollected:											
13.1 Direct	(1,184,543)		2,588	0	0	14,712	0	(3,246,717)	0	2,044,873	
13.2 Reinsurance assumed	0										
13.3 Reinsurance ceded	180,290		0	0	0	0	0	0	0	180,290	
13.4 Net (Line 11 + Line 12)	(1,364,833)	0	2,588	0	0	14,712	0	(3,246,717)	0	1,864,583	0
14. Advance	13,510,699		1,182	0	0	14,497	0	11,565,823	0	1,929,197	
15. Line 13.4 - Line 14	(14,875,532)	0	1,407	0	0	215	0	(14,812,540)	0	(64,614)	0
16. Collected during year:											
16.1 Direct	1,359,965,271		32,286,634	1,551,315	0	1,790,919	0	1,149,786,327	0	174,550,076	
16.2 Reinsurance assumed	0										
16.3 Reinsurance ceded	34,333,930		32,187,598	1,551,315	0	531,032	0	58,570	0	5,414	
16.4 Net	1,325,631,341	0	99,035	0	0	1,259,887	0	1,149,727,757	0	174,544,662	0
17. Line 15 + Line 16.4	1,310,755,809	0	100,442	0	0	1,260,102	0	1,134,915,217	0	174,480,047	0
18. Prior year (uncollected + deferred and accrued - advance)	(40,343,650)	0	1,046	0	0	(2,210)	0	(34,897,103)	0	(5,445,383)	0
19. Renewal premiums and considerations:											
19.1 Direct	1,385,613,678		32,286,994	1,551,315	0	1,793,345	0	1,169,870,890	0	180,111,134	
19.2 Reinsurance assumed	0										
19.3 Reinsurance ceded	34,514,220		32,187,598	1,551,315	0	531,032	0	58,570	0	185,704	
19.4 Net (Line 17 - Line 18)	1,351,099,459	0	99,396	0	0	1,262,313	0	1,169,812,320	0	179,925,430	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	1,536,666,132	0	32,324,877	2,379,324	0	1,789,648	0	1,281,460,797	0	218,711,487	0
20.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
20.3 Reinsurance ceded	35,380,868	0	32,226,239	2,379,324	0	531,032	0	58,570	0	185,704	0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	1,501,285,264	0	98,638	0	0	1,258,616	0	1,281,402,227	0	218,525,783	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	3,233,053		2,333,138	800,415		90,475		8,301		724	
25.2 Reinsurance assumed	0										
25.3 Net ceded less assumed	3,233,053	0	2,333,138	800,415	0	90,475	0	8,301	0	724	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	3,233,053	0	2,333,138	800,415	0	90,475	0	8,301	0	724	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	3,233,053	0	2,333,138	800,415	0	90,475	0	8,301	0	724	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	31,613,601							26,862,184		4,751,417	
28. Single	1,080,460		764,134	70,873		245,453					
29. Renewal	30,087,981		486,866	9,866				23,645,075		5,946,174	
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	62,782,042	0	1,251,000	80,739	0	245,453	0	50,507,259	0	10,697,591	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	4,898	328,107	3,374,290			3,707,295
2. Salaries and wages	86,008	5,761,995	53,225,760			59,073,763
3.11 Contributions for benefit plans for employees	13,881	929,971	8,590,502			9,534,354
3.12 Contributions for benefit plans for agents						0
3.21 Payments to employees under non-funded benefit plans	544	36,476	336,941			373,961
3.22 Payments to agents under non-funded benefit plans						0
3.31 Other employee welfare	271	18,158	167,736			186,165
3.32 Other agent welfare						0
4.1 Legal fees and expenses	1,061	71,065	656,453			728,579
4.2 Medical examination fees	8	509	4,701			5,218
4.3 Inspection report fees	0	19	172			191
4.4 Fees of public accountants and consulting actuaries	338	22,666	209,377			232,381
4.5 Expense of investigation and settlement of policy claims	486	32,566	552,745			585,797
5.1 Traveling expenses	3,196	214,081	1,977,550			2,194,827
5.2 Advertising	7,042	471,799	4,358,193			4,837,034
5.3 Postage, express, telegraph and telephone	6,440	431,441	3,985,382			4,423,263
5.4 Printing and stationery	1,976	132,395	1,222,982			1,357,353
5.5 Cost or depreciation of furniture and equipment	976	65,401	604,134			670,511
5.6 Rental of equipment	339	22,682	209,526			232,547
5.7 Cost or depreciation of EDP equipment and software	11,839	793,143	7,326,565			8,131,547
6.1 Books and periodicals	61	4,079	37,679			41,819
6.2 Bureau and association fees	172	11,493	106,167			117,832
6.3 Insurance, except on real estate	1,143	76,573	707,336			785,052
6.4 Miscellaneous losses			209,596			209,596
6.5 Collection and bank service charges	678	45,439	1,487,724			1,533,841
6.6 Sundry general expenses	5,470	366,427	3,423,327			3,795,224
6.7 Group service and administration fees	20,486		920,909			941,395
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					664,808	664,808
9.2 Investment expenses not included elsewhere					338,854	338,854
9.3 Aggregate write-ins for expenses	29,872	5,355,561	18,679,915	0	0	24,065,348
10. General expenses incurred	197,184	15,192,046	112,375,662	0	1,003,662	(a) 128,768,554
11. General expenses unpaid December 31, prior year		243,418	3,194,053		228,491	3,665,962
12. General expenses unpaid December 31, current year		440,774	3,528,901		77,812	4,047,487
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)	197,184	14,994,690	112,040,814	0	1,154,341	128,387,029
DETAILS OF WRITE-INS						
09.301. Information Technology	1,320	88,439	816,941			906,700
09.302. Interest	2,565		1,834,340			1,836,905
09.303. Managed Care & Network Access	2,459	3,690,865	1,468,112			5,161,436
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	23,529	1,576,257	14,560,522	0	0	16,160,307
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	29,872	5,355,561	18,679,915	0	0	24,065,348

(a) Includes management fees of $ 115,765,228 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	107	288,975			289,081
2. State insurance department licenses and fees	297,113	54,743,885			55,040,998
3. State taxes on premiums	54,969	22,723,666			22,778,635
4. Other state taxes, including $ for employee benefits		3,671,322			3,671,322
5. U.S. Social Security taxes	4,558	4,484,808			4,489,365
6. All other taxes		24			24
7. Taxes, licenses and fees incurred	356,747	85,912,679	0	0	86,269,425
8. Taxes, licenses and fees unpaid December 31, prior year		43,259,095			43,259,095
9. Taxes, licenses and fees unpaid December 31, current year		27,334,179			27,334,179
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	356,747	101,837,595	0	0	102,194,341

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	1,042		1,042		0
0100002. A/E CRAIG 3 1/2% NL	0		0		0
0100003. 41 CSO 2 1/2 % NL	4,042		4,042		0
0100004. 41 CSO 3% NL	0		0		0
0100005. 41 CSO 3% CRVM	142,971		142,971		0
0100006. 41 CSO 3 1/2 % CRVM	4,136		4,136		0
0100007. 58 CSO ALB 3% NL	1,685		1,685		0
0100008. 58 CSO ALB 3% CRVM	2,331,871		2,331,871		0
0100009. 58 CSO ANB 3% NL	0		0		0
0100010. 58 CSO ANB 3 1/2% CRVM	0		0		0
0100011. 58 CSO ALB 3 1/2% CRVM	108,062		108,062		0
0100012. 58 CSO ALB 4 1/2% CRVM	19,841,572		19,841,572		0
0100013. 58 CSO ALB 4 1/2% NL	3,263		3,263		0
0100014. 58 CET ALB 3% NL	228,722		228,722		0
0100015. 58 CET ANB 3 1/2% NL	0		0		0
0100016. 58 CET ANB 3 1/2% NL	0		0		0
0100017. 58 CET ALB 4 1/2% NL	0		0		0
0100018. 58 CET ALB 4 1/2% NL	0		0		0
0100019. 80 CSO CRVM 4.50%	1,035,067,224		1,035,067,224		0
0100020. 80 CSO 4 1/2% CRVM	3,821		3,821		0
0100021. 80 CSO CRVM 5.00%	2,107,635		2,107,635		0
0100022. 80 CSO CRVM 5.50%	22,563,539		22,563,539		0
0100023. 130% 41 CSO 3% NL	0		0		0
0100024. 130% 41 CSO 3 1/2% NL	0		0		0
0100025. AM MEN 3% NL	0		0		0
0100026. UNEARNED PREMIUM RESERVE	2,710,011		2,710,011		0
0100027. 58 CSO ANB 3 1/2% LOSS ON INT	0		0		0
0100028. GROUP CONVERSIONS	0		0		0
0100029. 58 CSO SUBSTANDARD LIFE	0		0		0
0100030. 60 CSG 3% NL	62,680		0		62,680
0100031. 58 CSO ALB 3% NL GIO	0		0		0
0100032. 80 CSO CRVM 4.00%	181,083,411		181,083,411		0
0199997. Totals (Gross)	1,266,265,686	0	1,266,203,006	0	62,680
0199998. Reinsurance ceded	1,266,209,315		1,266,199,978		9,337
0199999. Life Insurance: Totals (Net)	56,371	0	3,028	0	53,344
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%	77,741	XXX	0	XXX	77,741
0200004. 71 IAM 3 1/2%	0	XXX	0	XXX	0
0200005. 71 IAM 4.50%	20,067,299	XXX	20,067,299	XXX	0
0200006. 71 IAM 4.75%	11,420,043	XXX	11,420,043	XXX	0
0200007. 71 IAM 5.00%	8,394,389	XXX	8,394,389	XXX	0
0200008. 71 IAM 5.25%	15,048,736	XXX	15,048,736	XXX	0
0200009. 71 IAM 5.50%	29,029,060	XXX	29,029,060	XXX	0
0200010. 71 IAM 5.75%	16,948,725	XXX	16,948,725	XXX	0
0200011. 71 IAM 6.00%	12,037,978	XXX	12,037,978	XXX	0
0200012. 71 IAM 6.25%	25,618,202	XXX	25,618,202	XXX	0
0200013. 71 IAM 6.50%	7,353,346	XXX	7,353,346	XXX	0
0200014. 71 IAM 6.75%	30,693,857	XXX	30,693,857	XXX	0
0200015. 71 IAM 7.00%	8,365,773	XXX	8,365,773	XXX	0
0200016. 71 IAM 7.25%	5,740,591	XXX	5,740,591	XXX	0
0200017. 71 IAM 8.00%	4,535,872	XXX	4,535,872	XXX	0
0200018. 71 IAM 8.50%	10,643,331	XXX	10,643,331	XXX	0
0200019. 83 IAM 5.25%	11,939,764	XXX	11,939,764	XXX	0
0200020. 83 IAM 5.50%	6,308,852	XXX	6,308,852	XXX	0
0200021. 83 IAM 5.75%	13,174,448	XXX	13,174,448	XXX	0
0200022. 83 IAM 6.00%	2,440,159	XXX	2,440,159	XXX	0
0200023. 83 IAM 6.25%	878,350	XXX	878,350	XXX	0
0200024. A2000 4.50%	75,900,206	XXX	75,900,206	XXX	0
0200025. A2000 4.75%	102,174,371	XXX	102,174,371	XXX	0
0200026. A2000 5.00%	35,599,054	XXX	35,599,054	XXX	0
0200027. A2000 5.50%	32,494,759	XXX	32,494,759	XXX	0
0200028. UNEARNED PREMIUM RESERVE	0	XXX	0	XXX	0
0299997. Totals (Gross)	486,884,910	XXX	486,807,169	XXX	77,741
0299998. Reinsurance ceded	486,884,910	XXX	486,807,169	XXX	77,741
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%	321,776		321,776		
0300006. 83 IAM 6.75%	685,703		685,703		
0300007. 83 IAM 6.50%	133,460		133,460		
0300008. 83 IAM 6.25%	99,684		99,684		
0300009. 83 IAM 6.00%	43,497		43,497		
0300010. 83 IAM 5.50%	224,693		224,693		
0300011. 83 IAM 5.25%	244,559		244,559		
0399997. Totals (Gross)	1,753,372	0	1,753,372	0	0
0399998. Reinsurance ceded	1,753,372		1,753,372		
0399999. SCWLC: Totals (Net)	0	0	0	0	0
0400001. 59 ADB WITH 58 CSO 3%	411,419		411,419		
0400002. 52 DB WITH 80 CSO 4 1/2%	0		0		
0499997. Totals (Gross)	411,419	0	411,419	0	0
0499998. Reinsurance ceded	411,419		411,419		
0499999. Accidental Death Benefits: Totals (Net)	0	0	0	0	0
0500001. 52 DB WITH 58 CSO 3%	1,182		1,182		
0500002. 52 DB WITH 80 CSO 4 1/2%	697,150		697,150		
0599997. Totals (Gross)	698,332	0	698,332	0	0
0599998. Reinsurance ceded	698,332		698,332		
0599999. Disability-Active Lives: Totals (Net)	0	0	0	0	0
0600001. 52 DB WITH 58 CSO 3%	293,638		293,638		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0600002. UNREPORTED CLAIMS	0		0		
0600003. 52 DB w/80CSO 4.50%	16,554,920		16,554,920		
0699997. Totals (Gross)	16,848,558	0	16,848,558	0	0
0699998. Reinsurance ceded	16,848,558		16,848,558		
0699999. Disability-Disabled Lives: Totals (Net)	0	0	0	0	0
0700001. Deficiency	1,791,757		1,791,757		
0700002. NDFP	0		0		
0700003. IPC	900,257		900,257		
0799997. Totals (Gross)	2,692,014	0	2,692,014	0	0
0799998. Reinsurance ceded	2,692,014		2,692,014		
0799999. Miscellaneous Reserves: Totals (Net)	0	0	0	0	0
9999999. Totals (Net) - Page 3, Line 1	56,371	0	3,028	0	53,344

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.

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				
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	58,568,342	50,773,807	0	12	0	1,242,335	0	423	6,551,766
2. Additional contract reserves (a)	10,697,482	87,746	0	0	671,675	9,781,529	0	0	156,532
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	3,833,288	0	0	0	0	3,833,288	0	0	0
7. Totals (Gross)	73,099,113	50,861,553	0	12	671,675	14,857,152	0	423	6,708,298
8. Reinsurance ceded	673,547	1,732	0	0	671,675	0	0	141	0
9. Totals (Net)	72,425,566	50,859,822	0	12	0	14,857,152	0	282	6,708,298
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	3,052,251	2,674,309	0	1	0	44,540	0	0	333,402
13. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
14. Totals (Gross)	3,052,251	2,674,309	0	1	0	44,540	0	0	333,402
15. Reinsurance ceded	0								
16. Totals (Net)	3,052,251	2,674,309	0	1	0	44,540	0	0	333,402
17. TOTAL (Net)	75,477,817	53,534,131	0	12	0	14,901,692	0	282	7,041,700
18. TABULAR FUND INTEREST	501,398	0	0	0	0	498,376	0	0	3,022
DETAILS OF WRITE-INS									
0601. Risk adjustment deferred	3,833,288					3,833,288			
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)	3,833,288	0	0	0	0	3,833,288	0	0	0
1301.	0								
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	2,787,521	0	67,022	360,248	2,360,251	0
2. Deposits received during the year	95,420	0	0	0	95,420	0
3. Investment earnings credited to the account	53,841	0	3,432	4,741	45,668	0
4. Other net change in reserves	0					
5. Fees and other charges assessed	0					
6. Surrender charges	0					
7. Net surrender or withdrawal payments	408,501	0	12,927	146,418	249,156	0
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)	2,528,281	0	57,527	218,571	2,252,183	0
10. Reinsurance balance at the beginning of the year	(2,787,521)	0	(67,022)	(360,248)	(2,360,251)	0
11. Net change in reinsurance assumed	0					
12. Net change in reinsurance ceded	(259,240)	0	(9,495)	(141,677)	(108,068)	0
13. Reinsurance balance at the end of the year (Lines 10+11-12)	(2,528,281)	0	(57,527)	(218,571)	(2,252,183)	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	39,859,123		6,394,536	0	0	0	50,000	0	28,601,390	0	4,813,196
	2.22 Reinsurance assumed	0										
	2.23 Reinsurance ceded	6,533,271		6,394,536	0	0	0	25,000	0	15,156	0	98,579
	2.24 Net	33,325,852	0	(b) 0	(b) 0	0	(b) 0	(b) 25,000	0	(b) 28,586,235	(b) 0	(b) 4,714,617
3. Incurred but unreported:												
	3.1 Direct	135,698,228		1,375,499	0	0	0	664,383	0	114,405,561	0	19,252,786
	3.2 Reinsurance assumed	0										
	3.3 Reinsurance ceded	1,886,958		1,316,218	0	0	0	115,802	0	60,622	0	394,316
	3.4 Net	133,811,270	0	(b) 59,280	(b) 0	0	(b) 0	(b) 548,581	0	(b) 114,344,938	(b) 0	(b) 18,858,470
4. TOTALS	4.1 Direct	175,557,351	0	7,770,035	0	0	0	714,383	0	143,006,951	0	24,065,982
	4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
	4.3 Reinsurance ceded	8,420,229	0	7,710,754	0	0	0	140,802	0	75,778	0	492,895
	4.4 Net	167,137,122	(a) 0	(a) 59,280	0	0	0	(a) 573,581	0	142,931,173	0	23,573,087

(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 $ 2,674,309 Credit (Group and Individual) Accident and Health $ .... , and Other Accident and Health $ 377,943 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		
	Total	Industrial Life (a)	3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct	1,168,620,358		65,921,825	23,461,845	0	0	668,231	0	916,357,479	0	162,210,978
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	89,808,160		65,846,315	23,461,845	0	0	400,000	0	0	0	100,000
1.4 Net	(d) 1,078,812,197	0	75,510	0	0	0	268,231	0	916,357,479	0	162,110,978
2. Liability December 31, current year from Part 1:											
2.1 Direct	175,557,351	0	7,770,035	0	0	0	714,383	0	143,006,951	0	24,065,982
2.2 Reinsurance assumed	0										
2.3 Reinsurance ceded	8,420,229	0	7,710,754	0	0	0	140,802	0	75,778	0	492,895
2.4 Net	167,137,122	0	59,280	0	0	0	573,581	0	142,931,173	0	23,573,087
3. Amounts recoverable from reinsurers December 31, current year	2,275,394										2,275,394
4. Liability December 31, prior year:											
4.1 Direct	176,868,113	0	9,915,212	0	0	0	616,172	0	142,416,740	0	23,919,989
4.2 Reinsurance assumed	0										
4.3 Reinsurance ceded	9,997,732	0	9,795,188	0	0	0	136,303	0	54,470	0	11,771
4.4 Net	166,870,381	0	120,024	0	0	0	479,868	0	142,362,270	0	23,908,218
5. Amounts recoverable from reinsurers December 31, prior year	75,000		0	0	0	0	75,000	0	0	0	0
6. Incurred Benefits											
6.1 Direct	1,167,309,595	0	63,776,648	23,461,845	0	0	766,442	0	916,947,689	0	162,356,971
6.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	90,431,051	0	63,761,881	23,461,845	0	0	329,498	0	21,308	0	2,856,518
6.4 Net	1,076,878,544	0	14,766	0	0	0	436,944	0	916,926,382	0	159,500,453

(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	7,882	7,335	(547)
	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	6,686,642	6,404,704	(281,939)
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	2,433,475	2,858,954	425,479
25.	Aggregate write-ins for other than invested assets	5,001,871	3,887,178	(1,114,693)
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	14,129,870	13,158,171	(971,700)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28.	Total (Lines 26 and 27)	14,129,870	13,158,171	(971,700)
	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	5,001,871	3,887,178	(1,114,693)
2502.				
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	5,001,871	3,887,178	(1,114,693)

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 New York 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 New York. The Company's accident and health revenues are primarily derived from the sale of individual major 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.

A. Accounting Practices

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

The Department recognizes only statutory accounting practices, prescribed and 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 and permitted by the State of Indiana and those prescribed and permitted by the NAIC SAP, which materially affect the statutory basis net income (loss) and capital and surplus, as illustrated in the table below:

	State of Domicile	2015	2014
Net Income			
(1) Company state basis	Indiana	$ 106,832,042	$ 76,660,881
(2) State prescribed practices that increase/(decrease) NAIC SAP: Not applicable	Indiana	-	-
(3) State permitted practices that increase/(decrease) NAIC SAP: Not applicable	Indiana	-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	Indiana	$ 106,832,042	$ 76,660,881
Capital and Surplus			
(5) Company state basis	Indiana	$ 268,026,494	$ 313,182,627
(6) State prescribed practices that increase/(decrease) NAIC SAP: Not applicable	Indiana	-	-
(7) State permitted practices that increase/(decrease) NAIC SAP: Not applicable	Indiana	-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	Indiana	$ 268,026,494	$ 313,182,627

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 reserves for life contracts, aggregate reserves for accident and health contracts and contract claims - life and contract claims - accident and health and disability benefits,benefits under accident and health insurance contracts, provision for experience rating refunds and Section 1343 Affordable Care Act (ACA) risk adjustment receivables and payables. 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 (loss) in the period in which the estimate is adjusted.

C. Accounting Policy

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

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

(1–2) Bonds and short-term investments are stated at amortized cost if they meet NAIC designation of one through five and stated at the lower of amortized cost or fair value if they meet an NAIC designation of six. 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 Securities Valuation Office of the NAIC ("SVO") in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service;

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

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

(6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the 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 or 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 other than the investment in low-income housing tax credits (see Note 5G);

(9) The Company holds no derivatives;

(10) Premium deficiency 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 reserves 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 (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. 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, 2015, 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 equiptment or electronic data processing equipment and software.

The amounts reported for properties occupied by the Company, net of 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 $307,347 and $431,601 is included in the statutory basis statements of operations for the years ended December 31, 2015 and 2014, respectively.

The components of properties occupied by the Company at December 31, 2015 and 2014, are as follows:

	2015	2014
Properties Occupied by the Company		
Land, buildings, and improvements	$ 7,937,483	$ 7,937,483
Less accumulated depreciation	(5,054,232)	(4,746,884)
Gross properties occupied by the Company	2,883,251	3,190,599
Less nonadmitted land, buildings, and improvements	-	-
Net admitted properties occupied by the Company	$ 2,883,251	$ 3,190,599

(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 NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

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

ASSETS

Cash and Invested Assets

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities with a maturity of greater than one year at the time of purchase;
- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of amortized cost 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 amortized cost, 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 with a maturity date of less than one year from acquisition. 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 represent U.S. treasury bills and corporate debt securities. Cash equivalents have original maturity dates of three months or less from the date of acquisition and are reported at cost or amortized cost depending on the nature of the underlying security, which approximates fair value;

- Short-term investments represent money-market funds, corporate debt securities, U.S. government and agency securities with 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 amortized cost 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 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 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 recognized an other-than-temporary impairment ("OTTI") of $7 and $125,210 for the years ended December 31, 2015 and 2014, respectively.

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

- **Other Invested Assets** — Other invested assets include low income housing tax credit investments which are stated at amortized cost, which approximates fair value in the statutory basis statements of admitted assets, liabilities and capital and surplus.

- **Receivables for Securities —** The Company reports receivables for securities when investments are sold at the end of an accounting period and proceeds are received in the following month in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Any receivables for securities not received within 15 days from the settlement date are nonadmitted.

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 amounts determined to be uncollectible are written off in the period in which the determination is made.

- **Uncollected Premiums** — The Company reports uncollected premium balances from its insured members as uncollected premiums 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 includes the following: a) risk corridor receivables as defined in Section 1342 of the Affordable Care Act ("ACA"). Premium adjustments are based on each qualified health plan's allowable costs in relation to a target amount. A risk corridor receivable is recorded when the allowable costs are above

103 percent of the target amount; and b) risk adjustment receivables, as defined in Section 1343 of the ACA, which were previously reported in Section 1343 Risk adjustment receivable in the 2014 statutory basis financial statements. 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. 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. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured. Premium adjustments for the ACA Section 1342 risk corridor and ACA Section 1343 risk adjustment are accounted for as premium adjustments subject to retrospectively rated features and premium adjustments subject to redetermination, respectively (see Note 24).

- **Net Deferred Tax Asset** — 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 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 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.

- **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.

LIABILITIES

- **Aggregate Reserves 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 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, 2015 and 2014. Adjustments to estimates for aggregate reserves 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 and 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 reserves for life contracts, aggregate reserves 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.

- **Unearned Premiums** — The unexpired portion of accident and health insurance premiums received is reported as part of aggregate reserves 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 investment income in the statutory basis statements of operations.

- **Premiums for Life and Accident and Health Contracts Received in Advance** — Premiums received in full during the current period that are not due until future periods 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 premium refunds on experience rated contracts based on actuarial methods and assumptions and minimum loss ratio requirements. The liability also includes the estimated rebates payable on the comprehensive commercial health products if the medical loss ratios on fully insured products, as calculated under the definitions in 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. Estimated accrued retrospective premiums due from the Company are recorded in provision for experience rating refunds in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Section 1343 ACA Risk Adjustment Payable** — The Company has established a payable pursuant to Section 1343 of the ACA. Premium adjustments related to the risk adjustment program are accounted for as premium subject to redetermination. 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. A risk adjustment payable is recorded when the Company estimates its average actuarial risk score for policies included in this program is lower than the average actuarial risk scores in that market and state risk pool (see Note 24). The risk adjustment payable is recorded in aggregate reserves for accident and health contracts and Section 1343 ACA Risk adjustment payable in 2015 and 2014, respectively in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Interest Maintenance Reserve and Asset Valuation Reserve** — The Company maintains an asset valuation reserve (“AVR”) and an IMR. 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 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 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 to agents due or accrued represent obligations to external brokers and agents at December 31

- **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 include the unpaid portion of the contributions required under the ACA risk adjustment and reinsurance programs (see Note 24).

- **Net Deferred Tax Liability** — NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax basis of liabilities. In addition, under NAIC SAP, the change in deferred tax liabilities is recorded directly to unassigned surplus, whereas under GAAP, the change in deferred tax liabilities is recorded as a component of the income tax provision within the income statement.

- **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.

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

- **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, agent advances, and prepaid expenses are considered nonadmitted assets under 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 $4,420,925 and $4,282,941 as of December 31, 2015 and 2014, 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 amortized cost, 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 Department requires the Company to maintain a minimum capital and surplus equal to $450,000. The Company has $268,026,494 and $313,182,627 in total statutory basis capital and surplus as of December 31, 2015 and 2014, respectively, which is in compliance with the required amount.

  Risk-based Capital (RBC) — 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 in compliance with the required amount.

- **Section 9010 ACA Subsequent Fee Year Assessment** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under 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.

STATEMENTS OF OPERATIONS

- **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 incurred in the statutory basis statements of operations. The corresponding change in unearned premium from year to year is reflected as a component of 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 1342 and Section 1343 of the ACA, the Company records premium adjustments for changes to the risk corridor and 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 on Premiums**—Commissions on premiums represent commission expense for external brokers and agents. Expense is recorded when incurred based upon the contract period.

- **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.

- **General Insurance Expenses** — Pursuant to the terms of the management 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 management 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 claims adjustment expenses 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. Under NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in insurance taxes, licenses and fees, excluding federal income taxes 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 different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income after capital gains and before all other federal income taxes primarily as a result of the annual health insurer fee under Section 9010 of the ACA that requires the Company to expense 100% of the estimated annual fee on January 1, of the fee year, which is nondeductible for tax purposes.

- **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 accompanying statutory basis statements of operations. Any amounts due to the Company pursuant to this agreement are recorded as amounts recoverable from reinsurers in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 10 and Note 23).

- **Amounts Recoverable from Reinsurers** — Amounts recoverable from reinsurers 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 $2,275,394, a liability of $180,290 and a ceded reserve of $486,685 pursuant to Section 1341 of the ACA which are included in amounts recoverable from reinsurers, other amounts payable on reinsurance and contract claims – accident and health, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, for the transitional reinsurance program. This program is 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 33% and 31% of the accident and health premium in 2015 and 2014, respectively. As with all lines of business, this business is subject to normal claims fluctuations and environmental issues.

Recently Issued Accounting Standards — The Company reviewed all recently issued guidance in 2014 and 2015 that has been adopted for 2015 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 to continue as a going concern 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, 2015.

During 2014, the Company determined that it had overstated taxes, licenses and fees due or accrued and insurance taxes, licenses and fees by $1,645,782 related to the handling of a state tax credit for the year ended December 31, 2013. In addition, federal income taxes incurred as a result of this error were understated by $576,024 for the year ended December 31, 2013. Had the above adjustments been recorded to the 2013 statutory basis financial statements, the impact (increase/(decrease)) to net income, total capital and surplus, total assets and total liabilities would have been $1,069,758 $1,069,758 $0, and $(1,069,758), respectively. Due to the significance of the error, the cumulative effect of this prior year error was corrected by the Company in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors,* and is reflected in the statutory basis statements of changes in capital and surplus as a correction of an error in surplus for the year ended December 31, 2014.

There were not changes in accounting principles during the year ended December 31, 2014.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2015 and 2014, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

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

(1–5) The Company did not have any discontinued operations disposed of or classified as held for sale during 2015 and 2014.

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 $4,740,625 and $634,390, respectively, for 2015 and $3,541,323 and $1,436,933, respectively, for 2014. There were no gross realized gains and losses on sales of short-term investments for 2015 and 2014. 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 $189,097,050 and $234,581,957 and for short-term investments were $1,487,753,819 and $1,476,850,588 in 2015 and 2014, respectively.

As of December 31, 2015 and 2014, the amortized cost, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash and cash equivalents of $(2,842,617) and $(2,272,914), respectively, are as follows:

	2015				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 89,436,051	$ 978,425	$ 459,804	$ 103,519	$ 89,851,153
State and agency municipal securities	115,835,037	2,122,414	57,372	-	117,900,079
City and county municipal securities	92,250,712	2,245,478	-	-	94,496,190
Corporate debt securities (includes commercial paper)	204,395,836	390,900	2,340,298	850,185	201,596,253
Money-market funds	8,428,388	-	-	-	8,428,388
Other invested assets	17,287,933	-	-	-	17,287,933
Total bonds and short-term investments	$ 527,633,957	$ 5,737,217	$ 2,857,474	$ 953,704	$ 529,559,996

	2015				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
Less than one year	$ 79,584,234	$ 247,437	$ 39,963	$ 12,138	$ 79,779,570
One to five years	210,430,832	2,077,274	749,123	396,001	211,362,982
Five to ten years	159,599,477	2,679,022	1,537,190	411,763	160,329,546
Over ten years	78,019,414	733,484	531,198	133,802	78,087,898
Total bonds and short-term investments	$ 527,633,957	$ 5,737,217	$ 2,857,474	$ 953,704	$ 529,559,996

	2014				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	$ 90,867,711	$ 2,157,677	$ 8,924	$ 86,426	$ 92,930,038
State and agency municipal securities	133,752,363	2,740,978	17,665	1,183	136,474,493
City and county municipal securities	131,430,603	4,714,892	87,621	-	136,057,874
Corporate debt securities (includes commercial paper)	231,859,884	1,811,091	684,861	125,251	232,860,863
Money-market funds	50,596,401	-	-	-	50,596,401
Other invested assets	19,682,374	-	-	-	19,682,374
Total bonds and short-term investments	$ 658,189,336	$ 11,424,638	$ 799,071	$ 212,860	$ 668,602,043

Included in U.S. government and agency securities and corporate debt securities in the tables above are 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 an amortized cost of $73,780,449 and fair value of $73,586,339.

The following table illustrates the fair value and gross unrealized holding losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2015 and 2014:

	2015					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 68,842,752	$ (459,805)	$ 3,435,756	$ (103,519)	$ 72,278,508	$ (563,324)
State and agency municipal securities	11,397,676	(57,372)	-	-	11,397,676	(57,372)
City and county municipal securities	-	-	-	-	-	-
Corporate debt securities (includes commercial	149,242,110	(2,340,298)	11,988,693	(850,185)	161,230,803	(3,190,483)
paper)	-	-	-	-	-	-
Money-market funds	-	-	-	-	-	-
Other invested assets	-	-	-	-	-	-
Total bonds and short-term investments	$ 229,482,538	$ (2,857,475)	$ 15,424,449	$ (953,704)	$ 244,906,987	$ (3,811,179)

	2014					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 3,640,934	$ (8,924)	$ 5,733,076	$ (86,426)	$ 9,374,010	$ (95,350)
State and agency municipal securities	15,586,646	(17,665)	170,197	(1,183)	15,756,843	(18,848)
City and county municipal securities	7,896,761	(87,621)	-	-	7,896,761	(87,621)
Corporate debt securities (includes commercial	115,686,839	(684,861)	7,009,682	(125,251)	122,696,521	(810,112)
paper)	-	-	-	-	-	-
Money-market funds	-	-	-	-	-	-
Other invested assets	-	-	-	-	-	-
Total bonds and short-term investments	$ 142,811,180	$ (799,071)	$ 12,912,955	$ (212,860)	$ 155,724,135	$ (1,011,931)

The unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2015 and 2014, 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 amortized cost. The contractual cash flows of the U.S. government and agency obligations 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 municipalities and local agency obligations and corporate obligations, noting whether a significant deterioration since purchase or other factors that may indicate an other-than-temporary impairment (“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, the Company recorded OTTI of $7 and $125,210 as of December 31, 2015 and 2014, respectively, which are included in net realized capital gains (excluding gains (losses) transferred to the IMR) less capital gains tax (benefit) in the statutory basis statements of operations.

Net realized capital gains (excluding gains (losses) transferred to the IMR) less capital gains tax net of federal income taxes incurred and amounts transferred to the IMR as of December 31, 2015 and 2014, are as follows:

	2015	2014
Realized capital losses—net of related taxes of $1,439,906 and $790,819 in 2015 and 2014, respectively	$ 2,666,322	$ 1,188,360
Less amount transferred to IMR—net of related taxes of $1,437,180 and $692,713 in 2015 and 2014, respectively	(2,669,048)	(1,286,466)
Net realized capital losses—net of tax and amounts transferred to IMR	$ (2,726)	$ (98,106)

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, 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 other-than-temporary impairments on loan-backed securities as of December 31, 2015 and 2014.

(3) The Company did not have any loan-backed securities with an other-than-temporary impairment to report by CUSIP as of December 31, 2015 or 2014.

(4) The following table illustrates the fair value, gross unrealized losses, and length of time that the loan-backed securities have been in a continuous unrealized loss position as of December 31, 2015 and 2014:

	2015
The aggregate amount of unrealized losses:	
1. Less than 12 months	$ (503,162)
2. 12 months or longer	(136,920)
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	89,033,994
2. 12 months or longer	7,520,017

	2014
The aggregate amount of unrealized losses:	
1. Less than 12 months	$ (56,675)
2. 12 months or longer	(142,059)
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	31,332,541
2. 12 months or longer	9,996,054

(5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrealized losses as of December 31, 2015 and 2014 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

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

F. Real Estate — Not applicable.

G. Low-Income Housing Tax Credits —

(1–7) Low-income housing investments of $17,287,933 and $19,682,374 as of December 31, 2015 and 2014, respectively, are included in other invested assets in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The number of remaining years of unexpired tax credits is eight, and the required holding period for the low-income housing investments is thirteen. The low-income housing investments are not currently subject to any regulatory reviews. The Company did not recognize any impairment losses, write-downs, or reclassifications during 2015 or 2014.

H. Restricted Assets —

(1) Restricted assets, including pledged as of December 31, 2015 and 2014, are presented below:

	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
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)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Total Restricted to Total Admitted Assets
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	4,420,925	-	-	-	4,420,925	4,282,941	137,984	4,420,925	0.7 %	0.7 %
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	$ 4,420,925	$ -	$ -	$ -	$ 4,420,925	$ 4,282,941	$ 137,984	$ 4,420,925	0.7 %	0.7 %

[a] Subset of column 1

[b] Subset of column 3

(2–3) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2015 or 2014.

I. Working Capital Finance Investments — Not applicable.

J. 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.

K. Structured Notes

The Company does not have any structured notes.

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 has admitted all investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The components of net investment income as of December 31, 2015 and 2014 are as follows:

	2015	2014
Bonds	$ 11,844,241	$ 14,067,453
Cash, cash equivalents, and short-term investments	265,437	130,702
Real estate	1,008,246	1,242,965
Other invested assets	(2,324,606)	(2,324,596)
Miscellaneous investment income	-	20
Total investment income	10,793,318	13,116,544
Investment expenses	1,312,937	1,379,313
Net investment income (loss)	$ 9,480,381	$ 11,737,231

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

8. DERIVATIVE INSTRUMENTS

A–F. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2015 and 2014, are as follows:

	2015			2014			Change		
	1	2	3	4	5	6	7	8	9
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2 - 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	$ 21,709,154	$ 34,690	$ 21,743,844	$ 20,415,358	$ 65,893	$ 20,481,251	$ 1,293,796	$ (31,203)	$ 1,262,593
(b) Statutory valuation allowance adjustments	-	34,690	34,690	-	65,893	65,893	-	(31,203)	(31,203)
(c) Adjusted gross deferred tax assets (1a - 1b)	21,709,154	(0)	21,709,154	20,415,358	-	20,415,358	1,293,796	(0)	1,293,796
(d) Deferred tax assets nonadmitted	6,686,642	-	6,686,642	6,404,704	-	6,404,704	281,938	-	281,938
(e) Subtotal net admitted deferred tax asset (1c - 1d)	15,022,512	(0)	15,022,512	14,010,654	-	14,010,654	1,011,858	(0)	1,011,858
(f) Deferred tax liabilities	591,907	-	591,907	35,620	-	35,620	556,287	-	556,287
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	$ 14,430,605	$ (0)	$ 14,430,605	$ 13,975,034	$ -	$ 13,975,034	$ 455,571	$ (0)	$ 455,571

(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:

	2015			2014			Change		
	1	2	3	4	5	6	7	8	9
Admission Calculation Components SSAP No. 101	**Ordinary**	**Capital**	**(Col 1 + 2) Total**	**Ordinary**	**Capital**	**(Col 4 + 5) Total**	**(Col 1 - 4) Ordinary**	**(Col 2 - 5) Capital**	**(Col 7 + 8) Total**
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 12,566,554	$ -	$ 12,566,554	$ 12,382,858	$ -	$ 12,382,858	$ 183,696	$ -	$ 183,696
(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)	1,864,052	-	1,864,052	1,592,179	-	1,592,179	271,873	-	271,873
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	1,864,052	-	1,864,052	1,592,179	-	1,592,179	271,873	-	271,873
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	39,942,476	XXX	XXX	44,881,139	XXX	XXX	(4,938,663)
(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	591,907	-	591,907	35,620	-	35,620	556,287	-	556,287
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	$ 15,022,512	$ -	$ 15,022,512	$ 14,010,657	$ -	$ 14,010,657	$ 1,011,855	$ -	$ 1,011,855

(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:

	2015	**2014**
(a) Ratio percentage used to determine recovery period and threshold limitation amount	495 %	489 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	$ 253,595,889	$ 299,207,593

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies is presented below:

	2015		2014		Change	
	1	2	3	4	5	6
Impact of Tax-Planning Strategies	**Ordinary**	**Total**	**Ordinary**	**Total**	**(Col 1 - 3) Ordinary**	**(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)	$ 21,709,154	$ 21,709,154	$ 20,415,358	$ 20,415,358	$ 1,293,796	$ 1,293,796
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)	$ 15,022,512	$ 15,022,512	$ 14,010,654	$ 14,010,654	$ 1,011,858	$ 1,011,858
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.

C. Significant Components of Income Taxes

(1) The current federal and foreign income taxes incurred for the years ended December 31, 2015 and 2014, are as follows:

	1 2015	2 2014	3 (Col 1 - 2) Change
1. Current income tax			
(a) Federal	$ 68,726,657	$ 58,126,178	$ 10,600,479
(b) Foreign	-	-	-
(c) Subtotal	68,726,657	58,126,178	10,600,479
(d) Federal income tax on net capital gains	1,439,906	790,819	649,087
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	$ 70,166,563	$ 58,916,997	$ 11,249,566

(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, 2015 and 2014, are as follows:

	1 2015	2 2014	3 (Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	$ 789,846	$ 610,392	$ 179,454
(2) Unearned premium reserve	5,335,343	6,173,319	(837,976)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	12,315,901	10,886,605	1,429,296
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables—nonadmitted	858,200	214,583	643,617
(11) Net operating loss carry forward	-	-	-
(12) Tax credit carry forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	2,409,864	2,530,459	(120,595)
(99) Subtotal	21,709,154	20,415,358	1,293,796
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	6,686,642	6,404,704	281,938
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	15,022,512	14,010,654	1,011,858
(e) Capital:			
(1) Investments	34,690	65,893	(31,203)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	34,690	65,893	(31,203)
(f) Statutory valuation allowance adjustment	34,690	65,893	(31,203)
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	(0)	-	(0)
(i) Admitted deferred tax assets (2d + 2h)	15,022,512	14,010,654	1,011,858
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	22,948	35,620	(12,672)
(2) Fixed assets	348,217	-	348,217
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities	220,742	-	220,742
(99) Subtotal	591,907	35,620	556,287
(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)	591,907	35,620	556,287
4 Net deferred tax assets/liabilities (2i - 3c)	$ 14,430,605	$ 13,975,034	$ 455,571

The other ordinary deferred tax asset of $2,409,864 for 2015 consists of due and accrued of $1,308,376, bad debts of $397,250, and venture capital of $704,238.

The other ordinary deferred tax asset of $2,530,459 for 2014 consists of due and accrued of $1,634,956, bad debts of $565,250, and venture capital of $330,253.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of approximately $34,690 and $65,893 to reduce the gross deferred tax asset to approximately $21,709,154 and $20,415,358 as of December 31, 2015 and 2014 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 35% to net income before federal income taxes incurred, plus capital gains tax. A summarization of the significant items causing this difference as of December 31, 2015 and 2014 are as follows:

	2015	2014
Tax provision at the federal statutory rate	$ 61,446,499	$ 47,209,808
Capital gains	1,437,180	692,713
Total income tax	$ 62,883,679	$ 47,902,521
Tax-exempt interest	$ (1,617,253)	$ (1,941,686)
Other current year items	(1,580,757)	(1,571,847)
Health insurer fee	12,047,693	10,131,229
Tax effect of nonadmitted assets	(241,417)	6,902,259
Prior year true-up	-	8,921
Change in statutory valuation allowance	(31,203)	28,181
Current year tax credit	(2,031,688)	(1,560,699)
Total statutory income taxes	$ 69,429,054	$ 59,898,880
Federal income taxes incurred	$ 68,726,657	$ 58,126,178
Capital gains tax	1,439,906	790,819
Change in net deferred tax asset	(737,509)	981,883
Total statutory income taxes	$ 69,429,054	$ 59,898,880

E. At December 31, 2015, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable of approximately $19,514,722 and $3,992,734 as of December 31, 2015 and 2014, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were approximately $85,688,548 and $40,350,926 in 2015 and 2014, respectively.

Federal income taxes incurred of approximately $70,175,393 and $59,474,548 for 2015 and 2014, 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 2014 and prior. UnitedHealth Group’s 2015 tax return is 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 2008 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

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

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–N. Material Related Party Transactions

Pursuant to the terms of a 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 and access fees under this arrangement totaled $115,765,228 and $167,559,300 in 2015 and 2014, respectively, and are included in general insurance expenses and insurance taxes, licenses, and fees in the statutory basis statements of operations. Certain 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.

The Company was charged the following for management and administrative services, which are included in general insurance expenses and insurance taxes, licenses, and fees in the accompanying statutory basis statements of operations:

	2015	**2014**
UHS management fee	$ 115,765,228	$ 167,528,848

Effective January 1, 2014, the Company is contracting with OptumRx, Inc. ("OptumRx") to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements are calculated on a per-claim basis and are included in general insurance expenses in the statutory basis statements of operations.

The Company is a party to various purchased service agreements with various related parties, whereby these related parties provide a combination of network management and benefit administration to the Company. Spectera, Inc. provides administrative services related to vision benefit management and claims processing. Dental Benefit Providers, Inc. provides network access and dental care administration. United Behavioral Health (UBH) provides mental health and substance abuse services. In all instances, the fees and costs of such services are reasonable and consistent with those provided by a third-party provider. The Company was charged the following for Purchase Service Agreements, which are included general insurance expenses and insurance taxes, licenses, and fees in the statutory basis statements of operations:

	2015	**2014**
Purchased services agreements:		
OptumRx pharmacy fees	$ 4,633,914	$ 5,434,985
Optum network access fees	453,137	399,386
Dental Benefit Providers, Inc. administrative fees	2,840,353	3,832,312
Spectera, Inc. vision administrative fees	450,500	693,494
URN transplant services	397,949	-
UHS Medco pharmacy fees	-	30,452
All other affiliated expenses	233,082	458,248
Total purchased services	$ 9,008,935	$ 10,848,877

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

The Company holds a $150,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate ("LIBOR") 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 December 31, 2015. No amounts were outstanding under the line of credit as of December 31, 2015 and 2014.

At December 31, 2015 and 2014, the Company reported $43,029,268 as receivables from parent, subsdiaries, and affiliates and $9,393,510 as payable to parent, subsidiaries, and affiliates, respectively, 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.

In addition to the agreements above, UHS maintains a private short-term money market investment pool in which affiliated companies may participate (see Note 1). At December 31, 2015 and 2014, the Company's portion was $4,748,854 and $39,054,919, respectively, and is included in cash, cash equivalents, and short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

The Company paid dividends of $150,000,000 and $75,000,000 in 2015 and 2014, respectively, to its parent (see Note 13).

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

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

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

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

11. DEBT

A–B. The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2015 and 2014.

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) for the preceding year or 10% of statutory policyholder surplus at the end of the preceding year. The maximum dividend allowable in 2016 without prior approval of the Department is $106,834,768.

(4) The Company paid an ordinary cash dividend to GRFC of $25,000,000 on March 30, 2015 which required no approval and was recorded as a reduction to unassigned surplus in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company paid extraordinary cash dividends to GRFC of $75,000,000 and $50,000,000 on June 22, 2015 and September 25, 2015, respectively, which were approved by the Department and 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) As discussed in Note 1, an amount equal to the estimated subsequent year ACA fee must be apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment.

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

	2015	2014	Change
Net deferred income taxes	$ 21,117,247	$ 20,379,738	$ 737,509
Nonadmitted assets	(14,129,870)	(13,158,170)	(971,700)
Asset valuation reserve	(2,097,471)	(2,142,677)	45,206
Surplus due to reinsurance	13,943,725	15,742,915	(1,799,190)
Total	$ 18,833,631	$ 20,821,806	$ (1,988,175)

(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 $8,863,338 and $9,459,938 and an asset for related premium tax offsets of $3,173,632 and $1,939,050 are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2015 and 2014, respectively. The Company incurred assessment expense of $3,934,385 and $5,168,474 for 2015 and 2014, respectively, which are included in insurance taxes, licenses, and fees 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	$ 1,939,050
b. Decreases current year:	-
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	307,471
c. Increases current year:	
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	1,542,053
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$ 3,173,632

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 Contingences

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

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

The Company routinely evaluates the collectability of all receivable amounts included within 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.

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. In 2009, the Pennsylvania Insurance Commissioner placed long term care insurer Penn Treaty Network America Insurance Company and its subsidiary (Penn Treaty), neither of which is affiliated with the Company, in rehabilitation and petitioned a state court for approval to liquidate Penn Treaty. In 2012, the court denied the liquidation petition and ordered the Insurance Commissioner to submit a rehabilitation plan. The court held a hearing in July 2015 to begin its consideration of the latest proposed rehabilitation plan. The hearing is scheduled to continue in the spring of 2016.

If the current proposed rehabilitation plan, which contemplates the partial liquidation of Penn Treaty, is approved by the court, the Company's insurance entities and other insurers may be required to pay a portion of Penn Treaty's policyholder claims through state guaranty association assessments. The Company continues to vigorously challenge the proposed rehabilitation plan. The Company is currently unable to estimate losses or ranges of losses because the Company cannot predict when or to what extent Penn Treaty will ultimately be liquidated, the amount of the insolvency, the amount and timing of any associated guaranty fund assessments or the availability and amount of any premium tax and other potential offsets.

There are no other assets that the Company considers to be impaired at December 31, 2015 and 2014, except as disclosed in Note 5 and Note 20.

15. LEASES

A–B. According to the management 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 2015 and 2014, 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 on the statutory basis statements of operations, was $1,008,246 and $1,242,965, 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 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 2015 and 2014.

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 financial assets measured and reported at fair value at December 31, 2015. The following table presents information about the Company’s financial assets that are measured and reported at fair value at December 31, 2014 in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values:

Description for Each Class of Asset or Liability	December 31, 2014 (Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual preferred stock:				
Industrial and misc	$ -	$ -	$ -	$ -
Parent, subsidiaries, and affiliates	-	-	-	-
Total perpetual preferred stocks	-	-	-	-
Bonds:				
U.S. governments	-	-	-	-
Industrial and misc	-	842,346	-	842,346
Hybrid securities	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-
Total bonds	-	842,346	-	842,346
Common stock:				
Industrial and misc	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-
Total common stock	-	-	-	-
Derivative assets:				
Interest rate contracts	-	-	-	-
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total derivatives	-	-	-	-
Additional write-ins	-	-	-	-
Additional write-ins	-	-	-	-
Separate account assets	-	-	-	-
Total assets at fair value	$ -	$ 842,346	$ -	$ 842,346
b. Liabilities at fair value:				
Derivative liabilities	$ -	$ -	$ -	$ -
Additional write-ins	-	-	-	-
Additional write-ins	-	-	-	-
Total liabilities at fair value	$ -	$ -	$ -	$ -

There were no transfers between Levels 1 and 2 during the years ended December 31, 2015 and 2014.

(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.

(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, 2015 or 2014.

(4) **Investments** — Fair values of debt and equity securities 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, 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.

Low-Income Housing tax-credit investment — The fair values of Level 3 investments in Low Income Housing securities are deemed held-to-maturity as there is no active market and they will not be sold. Because of this, these securities are held at amortized cost. 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, 2015, 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, 2015 and 2014 is presented in the table below:

	2015					
Types of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practical Carrying Value
U.S. government and agency securities	$ 89,851,153	$ 89,436,051	$ 29,165,766	$ 60,685,387	$ -	$ -
State and agency municipal securities	117,900,079	115,835,037	-	117,900,079	-	-
City and county municipal securities	94,496,190	92,250,712	-	94,496,190	-	-
Corporate debt securities (includes	201,596,253	204,395,836		201,596,254		
commercial paper)	-	-	-	-	-	-
Money-market funds	8,428,388	8,428,388	8,428,388	-	17,287,933	-
Other invested assets	17,287,933	17,287,933	-	-	-	-
Total bonds and short-term investments	$ 529,559,996	$ 527,633,957	$ 37,594,154	$ 474,677,910	$ 17,287,933	$ -

	2014					
Types of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practical Carrying Value
U.S. government and agency securities	$ 92,930,039	$ 90,867,711	$ 29,859,684	$ 63,070,355	$ -	$ -
State and agency municipal securities	136,474,493	133,752,363	-	136,474,493	-	-
City and county municipal securities	136,057,874	131,430,603	-	136,057,874	-	-
Corporate debt securities (includes	232,860,862	231,859,884		232,860,862		
commercial paper)	-	-	-	-	-	-
Money-market funds	50,596,401	50,596,401	50,596,401	-	-	-
Other invested assets	19,682,374	19,682,374	-	-	19,682,374	-
Total bonds and short-term investments	$ 668,602,043	$ 658,189,336	$ 80,456,085	$ 568,463,584	$ 19,682,374	$ -

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of $29,165,766 and $29,859,684 as of December 31, 2015 and December 31, 2014, respectively.

Included as Level 2 in corporate debt securities in the fair value hierarchy tables above are commercial paper investments of $1,894,755 and $449,593 as of December 31, 2015 and December 31, 2014, 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.

21. OTHER ITEMS

The Company's business is regulated at federal, state and local levels, and the Company must obtain and maintain regulatory approvals to market and sell many of its products. 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. State legislatures and Congress continue to focus on health care issues.

On June 30, 2015, the NAIC provided clarifying guidance for the reporting of contracts subject to redetermination. The NAIC has concluded that contracts subject to redetermination should be reported as a component of premiums for life and accident and health contracts - net if in a receivable position and as a component of increase in aggregate reserves for life and accident and health insurance contracts - net if in a payable position, in the statutory basis statements of admitted assets, liabilities, and capital and surplus. This change in presentation is effective for year end 2015 and subsequent reporting periods. The prior year balances were not restated to conform to the current year presentation. Prior year balances for Section 1343 ACA risk adjustment receivables were presented as Section 1343 ACA risk adjustment receivable in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Prior year balances for 1343 ACA risk adjustment payables were reported as Section 1343 ACA risk adjustment payable in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Prior year balances were not restated to conform to the current year presentation.

A. The Company did not encounter any unusual or infrequent items for the years ended December 31, 2015 or 2014.

B. The Company has no troubled debt restructurings as of December 31, 2015 or 2014.

C. 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. The Company has not received any business interruption insurance recoveries during 2015 and 2014.

E. The Company has no transferrable 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 are rated NAIC rating 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. The Company does not have any retained asset accounts for beneficiaries.

H. As of December 31, 2015, the Company is not aware of any possible proceeds of insurance-linked securities.

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through February 26, 2016, 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, 2015, that require recognition and disclosure.

TYPE II – Non-Recognized Subsequent Events:

The Company is subject to the annual fee under section 9010 of the Patient Protection and Affordable Care Act (“ACA”). This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. As of December 31, 2015, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016, and estimates its portion of the annual health insurance industry fee payable on September 30, 2016 to be $25,904,273. This amount is reflected in section 9010 ACA subsequent fee year assessment. The Company’s Authorized Control Level RBC (“ACL RBC”) ratio was 495% as of December 31, 2015. Reporting the ACA assessment as a liability as of December 31, 2015 would not have triggered an RBC action level.

	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	$ 25,904,273	$ 34,462,586
C. ACA fee assessment paid	34,421,981	28,946,368
D. Premium written subject to ACA 9010 assessment	1,456,716,132	1,799,178,408
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 30)	270,123,965	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 30 minus 22B above)	244,219,692	
G. Authorized Control Level (Five-Year Historical Line 31)	51,642,298	
H. Would reporting the ACA assessment as of December 31, 2015, have triggered an RBC action level (YES/NO)?	No	

There are no other events subsequent to December 31, 2015 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 other nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured**.**

The Company is subject to the reinsurance provisions for the ACA 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 99% of the Company's December 31, 2015 and 2014, 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 the 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:

	2015	2014
Premiums for life and accident and health contracts:		
Direct	$ 1,536,666,132	$ 1,889,349,921
Ceded:		
Nonaffiliate	(35,380,868)	(38,722,708)
Premiums for life and accident and health contracts—net	$ 1,501,285,264	$ 1,850,627,213
Disability benefits and benefits under accident and health insurance contracts:		
Direct	$ 1,079,304,660	$ 1,389,796,727
Ceded:		
Nonaffiliate	(2,877,826)	129,691
Disability benefits and benefits under accident and health insurance contracts	$ 1,076,426,834	$ 1,389,926,418

The Company recognized reinsurance recoveries related to external reinsurance agreements of $100,000 and $344,074 in 2015 and 2014, 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 $2,275,394 and $0 for paid losses are recorded as amounts recoverable from reinsurers and $568,673 and $66,241 for unpaid losses are recorded as a reduction to contract claims for life and accident and health in 2015 and 2014, 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, 2015.

(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 2015 and 2014, there were no uncollectible reinsurance recoverables.

C. Commutation of Ceded Reinsurance — There was no commutation of reinsurance in 2015. During 2014. the Company commuted the coinsurance agreement with General Re Life Corporation. As a result of the commutation, the Company recorded a refund of ceded premium of $34,177. No claims or CAE have been incurred under the agreement

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 individual health insurance business based on mathematical calculations in accordance with contractual terms.

B. Estimated accrued retrospective premiums due 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 written for life and accident and health contracts—net n the statutory basis statements of operations.

C. The Company established a liability for estimated premium refunds in states in which "file and use" rates are used. Regulatory requirements mandate premium refunds be made annually when credible experience in a specific state is below the minimum loss ratio mandated by that state. The amount of premiums for other life and accident and health contracts written by the Company subject to experience rating refunds was $10,129,521 and $17,327,372 representing 0.7% and 0.9% of total premiums for life and accident and health contracts, as of December 31, 2015 and 2014, respectively.

D. The Company does not have Medicare business subject to specific minimum loss ratio requirements as of December 31, 2015 and 2014. The Company is required to maintain a specific minimum loss ratio on the comprehensive commercial line 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, 2015 and 2014:

	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	$ 33,914,609	$ -	$ -	$ -	$ 33,914,609
(2) Medical loss ratio rebates paid	27,543,982	-	-	-	27,543,982
(3) Medical loss rebates unpaid	33,722,508	-	-	-	33,722,508
(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	33,722,508
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	11,430,461	-	-	-	11,430,461
(8) Medical loss ratio rebates paid	32,866,760	-	-	-	32,866,760
(9) Medical loss rebates unpaid	12,286,208	-	-	-	12,286,208
(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	12,286,208

E. Risk-Sharing Provisions of the Affordable Care Act

(1) The Company has accident and health insurance premiums in 2015 and 2014 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. 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 is effective from 2014 through 2016 and applies 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, are accounted for as ceded premium and payments received are accounted for as ceded benefit recoveries. The portion of the individual contributions earmarked for the U.S. Treasury is 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, are 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, applies 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 are 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, 2015**
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment	$	316,131
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment	$	5,320
3. Premium adjustments payable due to ACA Risk Adjustment	$	3,833,288
Operations (revenue & expense)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	$	(3,517,157)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	$	5,320
b. Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance	$	2,275,394
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	$	486,685
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	$	13,812,951
5. Ceded reinsurance premiums payable due to ACA Reinsurance	$	180,290
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance	$	-
Operations (revenue & expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance	$	180,290
8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments	$	2,762,079
9. ACA Reinsurance contributions—not reported as ceded premium	$	13,812,951
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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	A	$ -	$ -
2. Premium Adjustment (Payable)	-	-	-	-	-	-	-	-	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	-	-	-	-	-	-	-		-	-
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	-	-	-	-	-	-	-	-	C	-	-
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	-	(26,141,306)	-	-	-	(26,141,306)	-	-	F	-	(26,141,306)
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	-	(26,141,306)	-	-	-	(26,141,306)	-	-		-	(26,141,306)
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	$ -	$ (26,141,306)	$ -	$ -	$ -	$ (26,141,306)	$ -	$ -		$ -	$ (26,141,306)

Explanation of Adjustments

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

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

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 - accident and health for the years ended December 31, 2015 and 2014:

	2015	2014
Unpaid claim reserves for accident and health and contract claims for accident and health policies at January 1	$ 170,170,959	$ 200,819,209
Incurred benefits related to:		
Current year	1,084,133,927	1,410,781,116
Prior years	(8,555,312)	(21,150,451)
Total incurred	1,075,578,615	1,389,630,665
Paid claims related to:		
Current year	915,288,256	1,241,112,853
Prior years	160,904,806	179,166,062
Total paid	1,076,193,062	1,420,278,915
Unpaid claim reserves for accident and health and contract claims for accident and health policies at December 31	169,556,512	170,170,959
Unearned premium reserve	58,566,470	69,429,854
Active life reserves	10,025,807	10,791,976
Section 1343 ACA risk adjustment payable	3,833,288	-
Total aggregate reserves for accident and health and contract claims for accident and health policies	$ 241,982,077	$ 250,392,789

Actual claims incurred in 2015 related to prior years were lower than the contract claims and aggregate reserves for accident and health contracts at December 31, 2013 by $8,555,312. Actual claims incurred in 2014 related to prior years were lower than the contract claims and aggregate reserves for accident and health contracts at December 31, 2011 by $21,150,451. 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.

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2015 or 2014.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2015 or 2014.

28. HEALTH CARE AND OTHER AMOUNTS RECEIVABLE

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

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted 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 transaction of pharmacy rebate 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
12/31/2015	$ 5,496,869	$ -	$ -	$ -	$ -
9/30/2015	5,328,348	4,490,958	2,884,750	-	-
6/30/2015	5,674,384	5,345,268	2,740,941	1,888,350	-
3/31/2015	5,494,275	5,042,564	2,719,305	1,428,999	789,136
12/31/2014	5,511,533	5,370,722	2,554,026	2,066,994	617,212
9/30/2014	5,494,920	5,134,197	2,518,899	1,709,275	719,347
6/30/2014	4,900,735	4,621,375	2,023,647	1,767,997	794,217
3/31/2014	4,191,564	4,341,408	674,167	1,831,182	1,814,038
12/31/2013	892,349	697,715	-	481,156	213,881
9/30/2013	819,378	702,821	-	181,995	516,174
6/30/2013	904,351	621,238	-	84,811	531,986
3/31/2013	638,604	615,721	-	12,184	599,281

Of the amount reported as health care receivable, $6,822,130 and $7,209,268 relates to pharmacy rebates receivable as of December 31, 2015 and 2014, 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 2015 or 2014.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2015 or 2014. The analysis of premium deficiency reserves was completed as of December 31, 2015 and 2014. 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, 2015 and 2014:

	2015
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2015
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

	2014
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2014
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, 2015, 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, 2015.

(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 2015.

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 and $1,799,190, net of tax, was recognized as ceded commissions in the statutory basis statements of operations during 2015 and 2014, respectively.

The valuation method used for life and annuity policies and contracts at December 31, 2015 and 2014 is as follows:

	2015	2014
1958 CSO ALB 3% CRVM	$ 2,333,556	$ 2,607,475
1958 CSO ALB 4 1/2% CRVM	19,844,834	20,417,455
1971 IAM 3 1/2 — 8 1/2%	486,807,169	519,847,731
1983 IAM 5 1/4 — 11%	1,753,372	1,908,925
1980 CSO 4 1/2 — 5 1/2% CRVM	1,240,825,630	1,254,250,018
Other	32,474,147	33,257,597
Reinsurance credit	(1,783,349,476)	(1,831,638,677)
Total aggregate reserves for life contracts and contract claims for life contracts	$ 689,232	$ 650,524

Policy reserves have been reduced at December 31, 2015 and 2014, by $1,778,026,201 and $1,824,494,707, 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, 2015 and 2014, by $7,851,556 and $9,931,491, respectively, for reinsurance ceded.

The Company recognized reinsurance recoveries of $89,708,160 and $79,479,887 in 2015 and 2014, 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, 2015 and 2014, total annuity actuarial reserves, deposit-type contract funds, and other liabilities without life or disability contingencies by withdrawal characteristics are as follows:

	2015				
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	$ 5,513,303	$ -	$ -	$ 5,513,303	1.1%
(2) At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
(3) At fair value	-	-	-	-	0.0%
(4) Total with adjustment or at fair value (total of 1 through 3)	5,513,303	-	-	5,513,303	1.1%
(5) At book value without adjustment (minimal or no charge or adjustment)	481,820,164	-	-	481,820,164	98.1%
B. Not subject to discretionary withdrawal	3,833,097	-	-	3,833,097	0.8%
C. Total (gross: direct + assumed)	491,166,564	-	-	491,166,564	100.0%
D. Reinsurance ceded	-	-	-	-	
E. Total (net) (C) - (D)	$ 491,166,564	$ -	$ -	$ 491,166,564	

	2014				
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	$ 5,811,942	$ -	$ -	$ 5,811,942	1.1%
(2) At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
(3) At fair value	-	-	-	-	0.0%
(4) Total with adjustment or at fair value (total of 1 through 3)	5,811,942	-	-	5,811,942	1.1%
(5) At book value without adjustment (minimal or no charge or adjustment)	514,151,738	-	-	514,151,738	98.0%
B. Not subject to discretionary withdrawal	4,661,476	-	-	4,661,476	0.9%
C. Total (gross: direct + assumed)	524,625,156	-	-	524,625,156	100.0%
D. Reinsurance ceded	-	-	-	-	
E. Total (net) (C) - (D)	$ 524,625,156	$ -	$ -	$ 524,625,156	

* 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:

	2015	2014
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:

Type	2015 Gross	2015 Net of Loading
(1) Industrial	$ -	$ -
(2) Ordinary new business	-	-
(3) Ordinary renewal	2,588	2,493
(4) Credit life	-	-
(5) Group life	14,712	14,286
(6) Group annuity	-	-
(7) Totals	$ 17,300	$ 16,779

Type	2014 Gross	2014 Net of Loading
(1) Industrial	$ -	$ -
(2) Ordinary new business	862	719
(3) Ordinary renewal	2,957	2,847
(4) Credit life	-	-
(5) Group life	21,954	21,318
(6) Group annuity	-	-
(7) Totals	$ 25,773	$ 24,884

34. SEPARATE ACCOUNTS

A–C. The Company does not have separate account business as of December 31, 2015 and 2014.

35. LOSS/CLAIM ADJUSTMENT EXPENSES

The following table summarizes changes in unpaid claims adjustment expenses for the years ended December 31, 2015 and 2014, which are included in general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus:

	2015	2014
Unpaid claims adjustment expenses—January 1	$ 3,172,080	$ 3,630,346
Incurred claims adjustment expenses related to:		
Current year	21,892,873	26,297,733
Prior years	91,567	(281,222)
Total incurred	21,984,440	26,016,511
Paid claims adjustment expenses related to:		
Current year	18,483,223	23,135,023
Prior years	3,249,293	3,339,754
Total paid	21,732,516	26,474,777
Unpaid claims adjustment expenses—December 31	$ 3,424,004	$ 3,172,080

Due to the type of business being written with these licenses, the Company has no salvage. As of December 31, 2015 and 2014, 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

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. 12/31/2012

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]

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 Blvd, 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 [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Minor updates were made to the Code in Q4 2015.

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 $ 0
- 22.22 Amount paid as expenses $ 3,666,395
- 22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [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 $ 0
25.22 Subject to reverse repurchase agreements $ 0
25.23 Subject to dollar repurchase agreements $ 0
25.24 Subject to reverse dollar repurchase agreements $ 0
25.25 Placed under option agreements $ 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock $ 0
25.27 FHLB Capital Stock $ 0
25.28 On deposit with states $ 4,420,925
25.29 On deposit with other regulatory bodies $ 0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB $ 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements $ 0
25.32 Other $ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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)

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

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

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
107038	JP Morgan Investment Management, Inc.	245 Park Avenue, New York, NY 10167
113972	Standish Mellon Asset Management Company	201 Washington Street, Suite 2900, Boston, MA 02108-4408

GENERAL INTERROGATORIES

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	510,346,024	513,113,798	2,767,774
30.2 Preferred stocks	0		0
30.3 Totals	510,346,024	513,113,798	2,767,774

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

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

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

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

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

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 38,500

33.2 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
A.M. Best Company, Inc.	38,500

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

34.2 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

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

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total 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 $ 25,195,938

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. $ 17,524,740

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 $ 25,195,938
1.65 Total incurred claims $ 17,524,740
1.66 Number of covered lives 8,977

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	1,494,606,807	1,846,679,206
2.2	Premium Denominator	1,501,285,262	1,850,627,213
2.3	Premium Ratio (2.1/2.2)	0.996	0.998
2.4	Reserve Numerator	225,072,603	235,705,931
2.5	Reserve Denominator	242,671,310	251,043,312
2.6	Reserve Ratio (2.4/2.5)	0.927	0.939

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 $ 115,765,228
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 $ 2,012,924,559
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? $

9.1 Does the company have variable annuities with guaranteed benefits? Yes [ ] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit

10. 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:

10.1 Amount of loss reserves established by these annuities during the current year: $

10.2 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)

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

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

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

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

GENERAL INTERROGATORIES

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

12.2 If the answer to 12.1 is yes, please provide the following:

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

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

13.1 Direct Premium Written $ 32,282,846

13.2 Total Incurred Claims $ 63,868,937

13.3 Number of Covered Lives 34,627

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

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.
Show amounts of life insurance in this exhibit in thousands (OMIT $000)

		1 2015	2 2014	3 2013	4 2012	5 2011
	Life Insurance in Force					
	(Exhibit of Life Insurance)					
1.	Ordinary - whole life and endowment (Line 34, Col. 4)	1,765,695	1,859,418	2,130,536	2,011,597	2,094,335
2.	Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	3,725,295	4,005,584	4,259,544	4,860,162	5,264,167
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)	681,765	986,321	1,584,566	1,419,241	1,770,513
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)	6,172,755	6,851,323	7,974,645	8,291,000	9,129,015
	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)	0	0	105,300	93,892	160,500
10.	Credit life (Line 2, Col. 6)	0	0	0	0	0
11.	Group (Line 2, Col. 9)	0	0	859,462	771,250	1,134,090
12.	Industrial (Line 2, Col. 2)	0	0	0	0	0
13.	Total (Line 2, Col. 10)	0	0	964,762	865,142	1,294,590
	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)	98,638	205,966	218,442	178,861	202,403
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)	1,258,616	1,897,717	2,070,371	1,693,413	1,558,852
17.2	Group annuities (Line 20.4, Col. 7)	0	0	0	0	0
18.1	A & H-group (Line 20.4, Col. 8)	1,281,402,227	1,562,647,414	1,700,974,088	1,575,397,485	1,398,843,367
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)	218,525,783	285,876,117	317,327,184	302,209,947	272,842,707
19.	Aggregate of all other lines of business (Line 20.4,Col. 11)	0	0	0	0	0
20.	Total	1,501,285,264	1,850,627,213	2,020,590,085	1,879,479,707	1,673,447,329
	Balance Sheet (Pages 2 & 3)					
21.	Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	635,565,515	718,208,451	759,785,315	782,483,247	814,867,949
22.	Total liabilities excluding Separate Accounts business (Page 3, Line 26)	367,539,021	405,025,824	466,290,127	490,190,818	502,784,368
23.	Aggregate life reserves (Page 3, Line 1)	56,371	50,631	75,941	72,011	69,379
24.	Aggregate A & H reserves (Page 3, Line 2)	75,477,817	84,122,300	103,632,834	97,875,084	96,948,538
25.	Deposit-type contract funds (Page 3, Line 3)	0	0	0	0	0
26.	Asset valuation reserve (Page 3, Line 24.01)	2,097,471	2,142,677	1,899,581	1,592,614	1,198,270
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)	264,763,790	309,919,923	290,232,484	289,029,725	308,820,877
	Cash Flow (Page 5)					
29.	Net Cash from Operations (Line 11)	44,673,659	54,457,480	113,024,648	118,935,046	200,120,367
	Risk-Based Capital Analysis					
30.	Total adjusted capital	270,123,965	315,325,304	295,394,769	293,885,043	313,281,851
31.	Authorized control level risk - based capital	51,642,298	61,690,621	71,136,905	58,423,675	38,853,366
	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)	91.0	86.6	85.7	78.2	73.7
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	0.5	0.5	0.6	0.6
36.	Cash, cash equivalents and short-term investments (Line 5)	5.2	10.0	10.6	18.0	25.8
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)	3.3	3.0	3.2	3.2	0.0
40.	Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41.	Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
42.	Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
43.	Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

		1 2015	2 2014	3 2013	4 2012	5 2011
	Investments in Parent, Subsidiaries and Affiliates					
44.	Affiliated bonds (Schedule D Summary, Line 12, Col. 1)					0
45.	Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1)			0		
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)	14,129,870	13,158,171	33,140,408	29,015,753	32,350,818
53.	Total admitted assets (Page 2, Line 28, Col. 3)	635,565,515	718,208,451	759,785,315	782,483,247	814,867,949
	Investment Data					
54.	Net investment income (Exhibit of Net Investment Income)	9,480,381	11,737,231	12,874,883	15,920,980	15,961,240
55.	Realized capital gains (losses) (Page 4, Line 34, Column 1)	(2,726)	(98,106)	(13,872)	(48,451)	(245,642)
56.	Unrealized capital gains (losses) (Page 4, Line 38, Column 1)					
57.	Total of above Lines 54, 55 and 56	9,477,655	11,639,125	12,861,011	15,872,529	15,715,598
	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)	451,710	461,296	1,036,481	621,744	868,330
59.	Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	1,076,426,835	1,389,926,418	1,490,596,658	1,341,538,525	1,186,296,035
60.	Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	(374)	(3,487)	204	(1,439)	(3,063)
61.	Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	(12,477,771)	(19,510,534)	5,757,751	926,546	5,248,768
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	12.5	14.1	14.5	16.5	17.5
64.	Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0	5.3	7.8	7.9	6.0	5.8
65.	A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2)	72.1	75.3	75.0	72.5	72.3
66.	A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2)	1.0	0.9	0.9	1.0	1.1
67.	A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2)	17.2	18.5	16.0	18.2	19.2
	A & H Claim Reserve Adequacy					
68.	Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)	136,557,927	153,356,019	145,079,063	128,366,280	112,859,481
69.	Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)	145,758,825	170,904,095	164,675,646	150,379,754	127,926,122
70.	Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	25,057,720	26,312,738	24,469,894	24,965,289	24,500,359
71.	Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	24,412,135	29,915,114	33,308,509	28,270,134	25,314,438
	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)	1,531,733	1,653,195	1,309,528	1,260,166	1,150,884
74.	Ordinary - individual annuities (Col. 4)	746,878	751,548	719,677	719,676	719,676
75.	Ordinary-supplementary contracts (Col. 5)	0	0	0		0
76.	Credit life (Col. 6)	0	0	0	0	0
77.	Group life (Col. 7)	135,204	477,582	165,098	325,011	(476,585)
78.	Group annuities (Col. 8)	0	0	0	0	0
79.	A & H-group (Col. 9)	88,978,839	53,295,465	95,371,463	96,699,308	82,402,520
80.	A & H-credit (Col. 10)	0	0	0	0	0
81.	A & H-other (Col. 11)	15,442,116	20,581,197	31,838,436	28,690,748	21,089,980
82.	Aggregate of all other lines of business (Col. 12)	0	0	0	0	0
83.	Total (Col. 1)	106,834,769	76,758,986	129,404,202	127,694,909	104,886,476

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

	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 (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	Policies	Certificates	Amount of Insurance (a)	Total Amount of Insurance (a)
1. In force end of prior year	0	0	37,324	5,865,002	0	0	138	9,627	986,321	6,851,323
2. Issued during year		0	0	0		0			0	0
3. Reinsurance assumed										0
4. Revived during year			38	6,825			0	0	0	6,825
5. Increased during year (net)										0
6. Subtotals, Lines 2 to 5	0	0	38	6,825	0	0	0	0	0	6,825
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	37,362	5,871,827	0	0	138	9,627	986,321	6,858,148
Deductions during year:										
10. Death			616	49,672			XXX	11	868	50,540
11. Maturity			28	96			XXX			96
12. Disability			0	0			XXX			0
13. Expiry			16	172						172
14. Surrender			476	47,404						47,404
15. Lapse			1,457	254,509			0	2,786	283,148	537,657
16. Conversion			24	4,075			XXX	XXX	XXX	4,075
17. Decreased (net)			98	24,909			9	110	20,540	45,449
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	2,715	380,837	0	0	9	2,907	304,556	685,393
21. In force end of year (Line 9 minus Line 20)	0	0	34,647	5,490,990	0	0	129	6,720	681,765	6,172,755
22. Reinsurance ceded end of year	XXX		XXX	5,463,184	XXX		XXX	XXX	206,408	5,669,592
23. Line 21 minus Line 22	XXX	0	XXX	27,806	XXX	(b) 0	XXX	XXX	475,357	503,163
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) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group $ .... ; Individual $ ....

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	XXX		XXX	258
25. Other paid-up insurance			9,778	1,025,173
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 (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies - decreasing			254	1,210
28. Term policies - other			16,803	3,722,913
29. Other term insurance - decreasing	XXX		XXX	
30. Other term insurance	XXX		XXX	
31. Totals (Lines 27 to 30)	0	0	17,057	3,724,123
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX		XXX	
33. Totals, extended term insurance	XXX	XXX	303	1,172
34. Totals, whole life and endowment			17,287	1,765,695
35. Totals (Lines 31 to 34)	0	0	34,647	5,490,990

CLASSIFICATION OF AMOUNT OF INSURANCE (a) 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			5,490,215	775
38. Credit Life (Group and Individual)				
39. Group			681,765	0
40. Totals (Lines 36 to 39)	0	0	6,171,980	775

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

NONE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
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 (a)	28,810

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 (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			3,872	181,351				
49. Disability Income								
50. Extended Benefits			XXX	XXX				
51. Other								
52. Total	0	(b) 0	3,872	(b) 181,351	0	(b) 0	0	(b) 0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General 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)	4	21		
7. Reinsurance ceded	(4)	(21)		
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)	8	722		
7. Reinsurance ceded	(8)	(722)		
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	407,128	1,521,925,646	0		162,030	270,980,845
2. Issued during year	155,148	335,564,740	0		28,186	45,160,811
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Totals (Lines 1 to 4)	562,276	XXX	0	XXX	190,216	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)	242,324	XXX	0	XXX	53,746	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)	242,324	XXX	0	XXX	53,746	XXX
10. In force end of year	319,952	(a) 1,290,777,481	0	(a) 0	136,470	(a) 211,320,165

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)		16
7. Reinsurance ceded		(16)
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 Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

		Direct Business Only					
	1	Life Contracts		4	5	6	7
		2	3				
States, Etc.	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama AL	L	407,863	25,008	16,276,044		16,708,915	
2. Alaska AK	L			86,867		86,867	
3. Arizona AZ	L	671,877	42,501	111,198,688		111,913,067	
4. Arkansas AR	L	416,895	15,080	14,714,986		15,146,961	
5. California CA	L	1,536,788	252,127	1,551,116		3,340,031	
6. Colorado CO	L	858,634	38,900	63,113,495		64,011,030	
7. Connecticut CT	L	697,592	175,010	27,525,721		28,398,322	
8. Delaware DE	L	109,694	25,939	2,154,173		2,289,805	
9. District of Columbia DC	L	64,413	722	95,683		160,818	
10. Florida FL	L	2,640,125	187,147	257,769,553		260,596,826	
11. Georgia GA	L	832,185	44,384	31,872,148		32,748,717	
12. Hawaii HI	L	151,986	9,673	59,105		220,764	
13. Idaho ID	L	36,675	21,037	48,783		106,495	
14. Illinois IL	L	2,885,481	216,066	69,135,692		72,237,239	
15. Indiana IN	L	1,389,299	196,229	66,834,447		68,419,975	
16. Iowa IA	L	738,131	12,386	16,480,092		17,230,608	
17. Kansas KS	L	183,748	11,528	5,546,781		5,742,057	
18. Kentucky KY	L	854,534	12,574	5,117,936		5,985,044	
19. Louisiana LA	L	486,871	26,872	8,529,678		9,043,422	
20. Maine ME	L	224,526		18,165		242,691	
21. Maryland MD	L	967,148	30,899	13,653,051		14,651,098	
22. Massachusetts MA	L	184,799	36,829	40,309		261,937	
23. Michigan MI	L	1,992,169	96,067	91,902,301		93,990,537	
24. Minnesota MN	L	447,222	58,666	145,165		651,053	
25. Mississippi MS	L	234,966	25,452	28,022,863		28,283,282	
26. Missouri MO	L	1,497,435	96,681	91,345,183		92,939,300	
27. Montana MT	L	3,974	(412)	30,532		34,094	
28. Nebraska NE	L	333,824	19,638	34,046,846		34,400,308	
29. Nevada NV	L	118,245	20,265	16,058,946		16,197,456	
30. New Hampshire NH	L	191,938	19,825	45,402		257,165	
31. New Jersey NJ	L	78,322	11,179	1,133,883		1,223,385	
32. New Mexico NM	L	108,494	6,459	78,900		193,853	
33. New York NY	N	48,829	3,809	69,673		122,311	
34. North Carolina NC	L	776,833	45,550	26,059,966		26,882,349	
35. North Dakota ND	L	92,103		67,198		159,301	
36. Ohio OH	L	1,618,238	108,693	88,869,761		90,596,692	
37. Oklahoma OK	L	412,364	11,676	31,556,347		31,980,387	
38. Oregon OR	L	150,668	13,148	203,568		367,385	
39. Pennsylvania PA	L	1,256,597	12,475	35,430,065		36,699,137	
40. Rhode Island RI	L	51,504	5,372	5,687		62,563	
41. South Carolina SC	L	474,761	40,919	44,973,617		45,489,297	
42. South Dakota SD	L	265,094	6,449	94,738		366,281	
43. Tennessee TN	L	1,320,834	72,398	35,301,115		36,694,348	
44. Texas TX	L	2,781,474	192,969	122,252,230		125,226,673	
45. Utah UT	L	127,702		163,480		291,182	
46. Vermont VT	L	50,239		28,766		79,005	
47. Virginia VA	L	1,116,650	58,973	34,768,359		35,943,981	
48. Washington WA	L	283,887	1,916	247,542		533,345	
49. West Virginia WV	L	270,185	21,715	10,171,521		10,463,422	
50. Wisconsin WI	L	1,560,985	41,848	70,172,949		71,775,782	
51. Wyoming WY	L	69,697		6,627,826		6,697,523	
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	42,508	6,681	(1,394)	0	47,795	0
59. Subtotal	(a) 51	34,117,005	2,379,324	1,481,695,549	0	1,518,191,878	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	34,117,005	2,379,324	1,481,695,549	0	1,518,191,878	0
96. Plus reinsurance assumed	XXX					0	
97 Totals (All Business)	XXX	34,117,005	2,379,324	1,481,695,549	0	1,518,191,878	0
98. Less reinsurance ceded	XXX	32,757,271	2,379,324	63,984		35,200,579	
99. Totals (All Business) less Reinsurance Ceded	XXX	1,359,734	0	(b) 1,481,631,565	0	1,482,991,299	0
DETAILS OF WRITE-INS							
58001. ZZZ Other Alien	XXX	42,508	6,681	(1,394)		47,795	
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	42,508	6,681	(1,394)	0	47,795	0
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX	0	0	0	0	0	0
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX	0	0	0	0	0	0

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

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

Allocation of premium based on insured's address state.

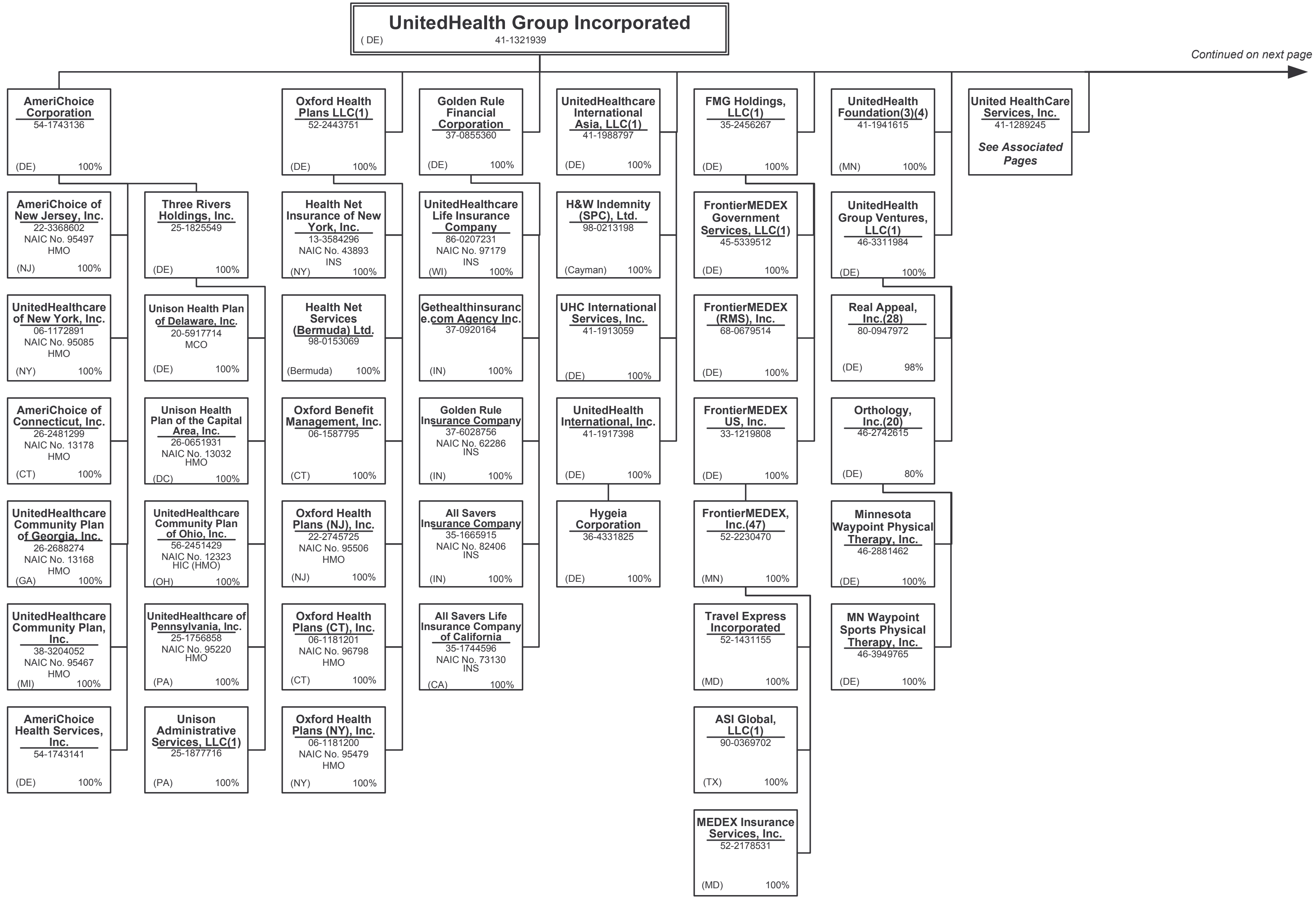
(a) Insert the number of L responses except for Canada and Other Alien.

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Golden Rule Insurance Company

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

PART 1 – ORGANIZATIONAL CHART



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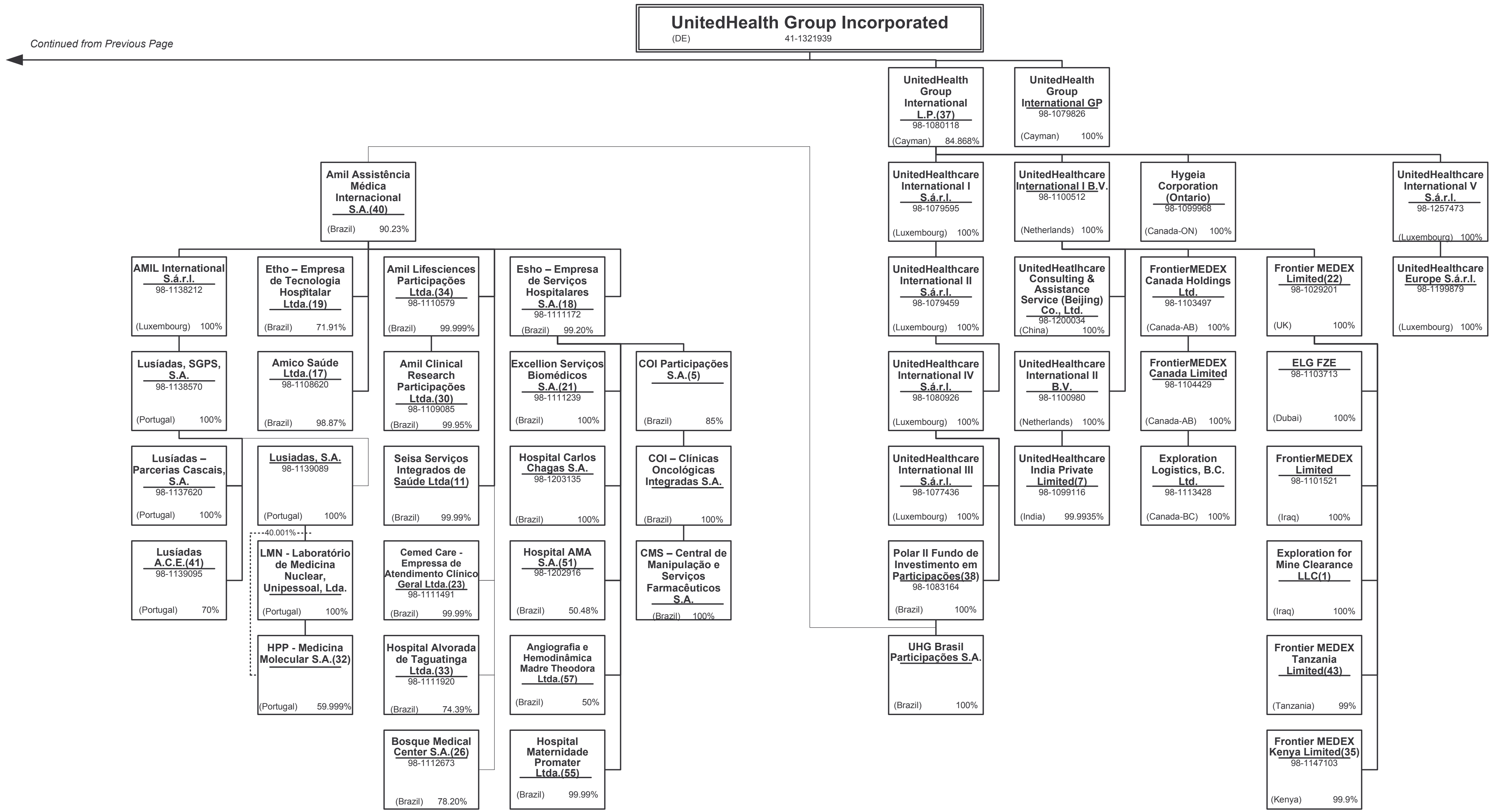

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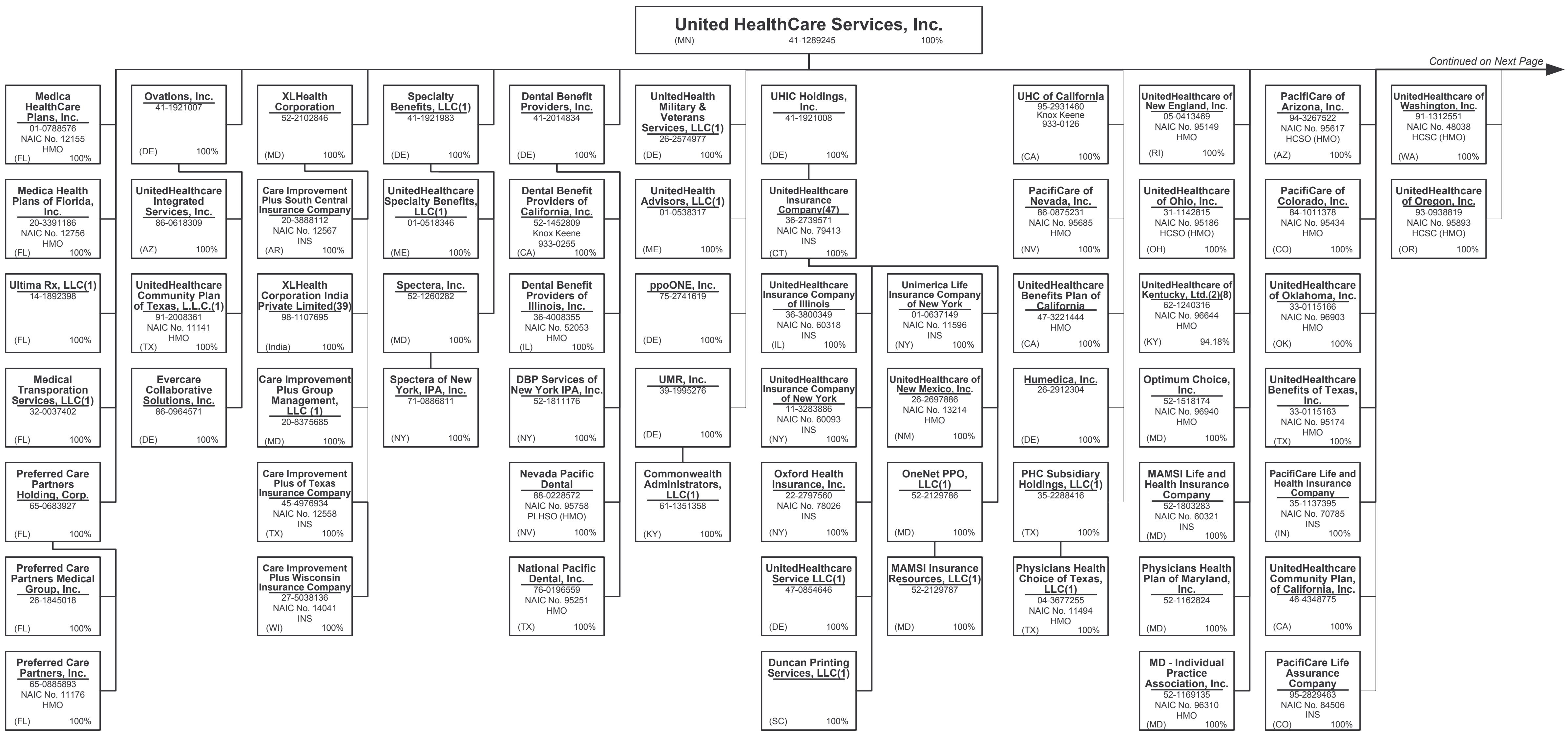

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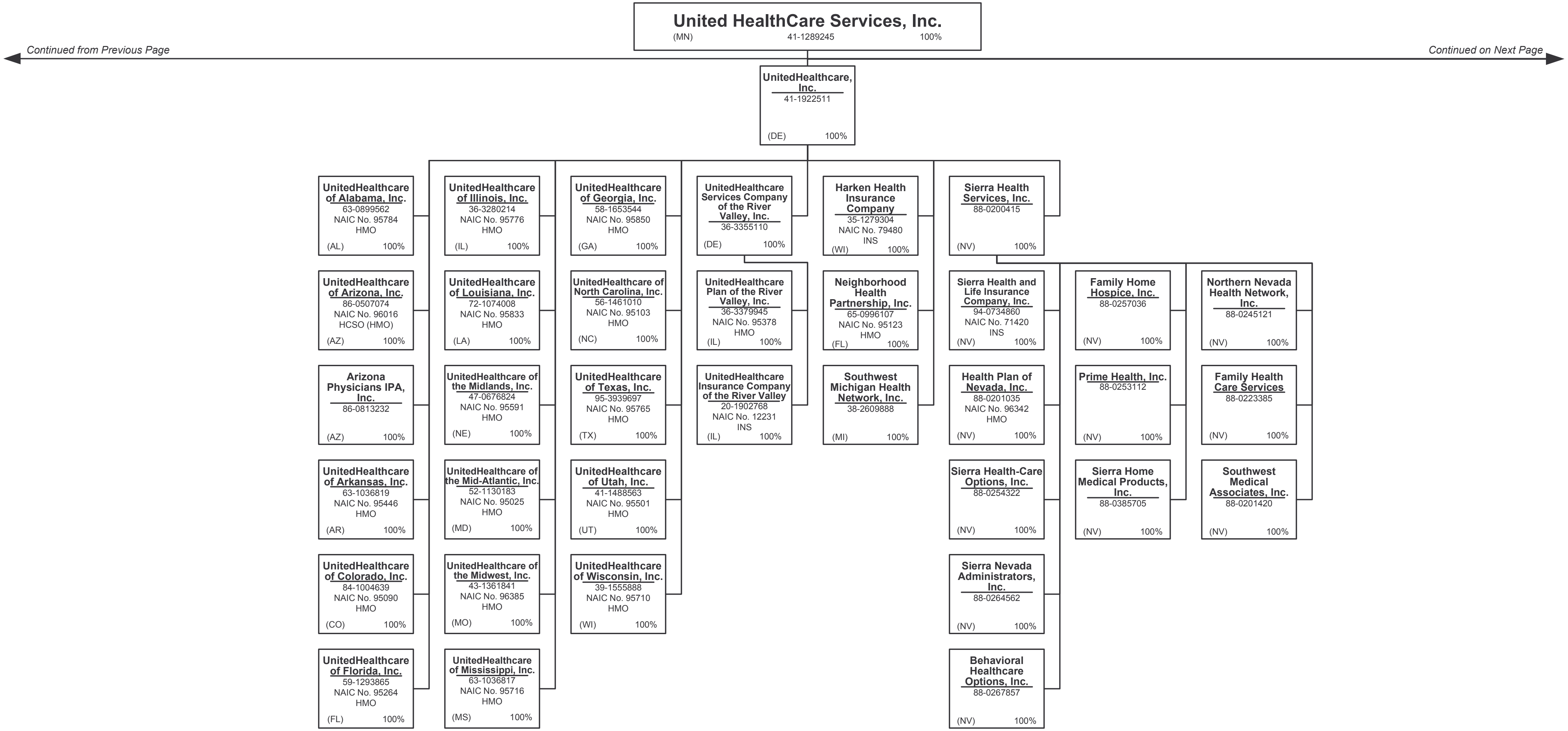

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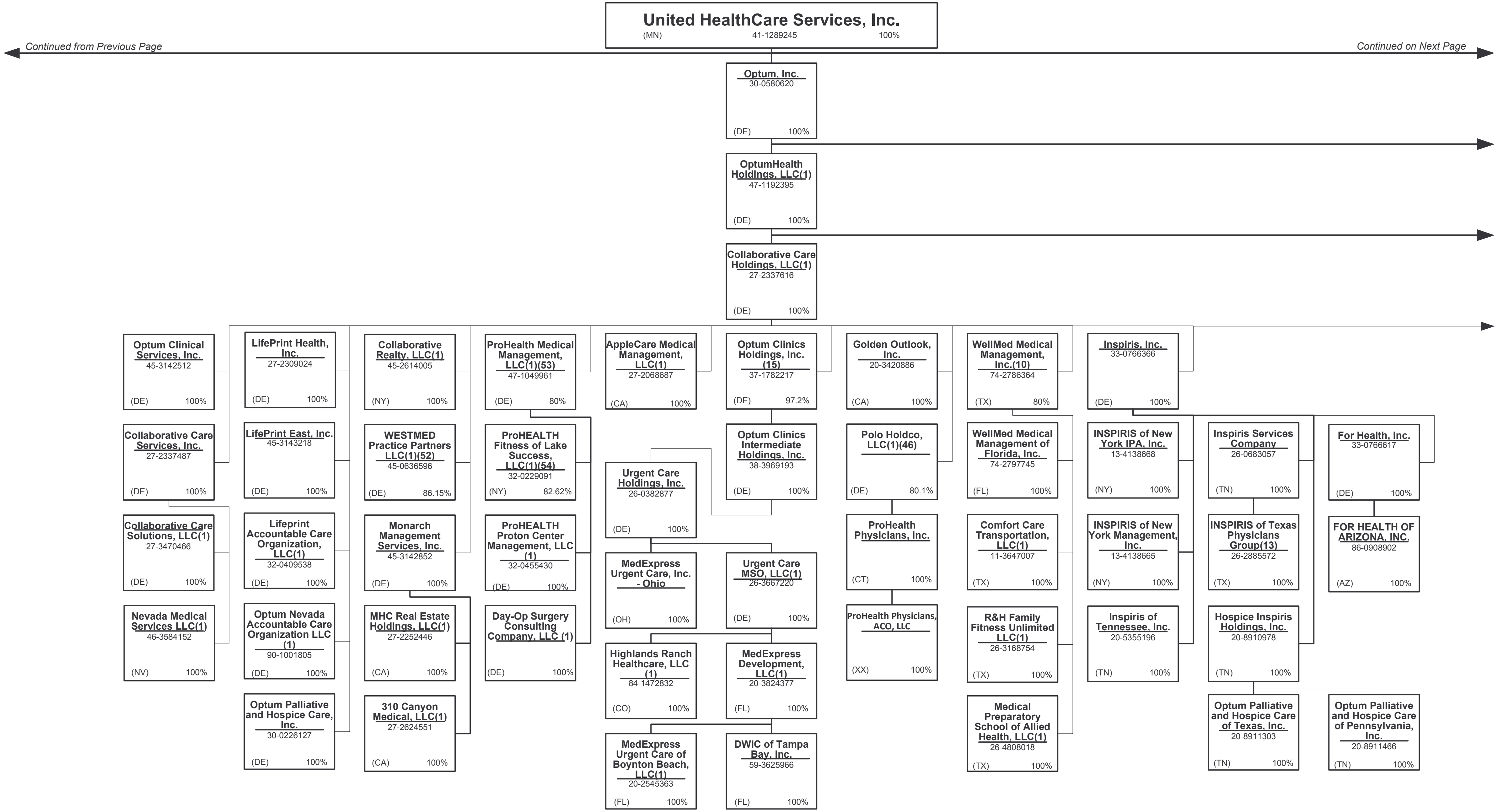

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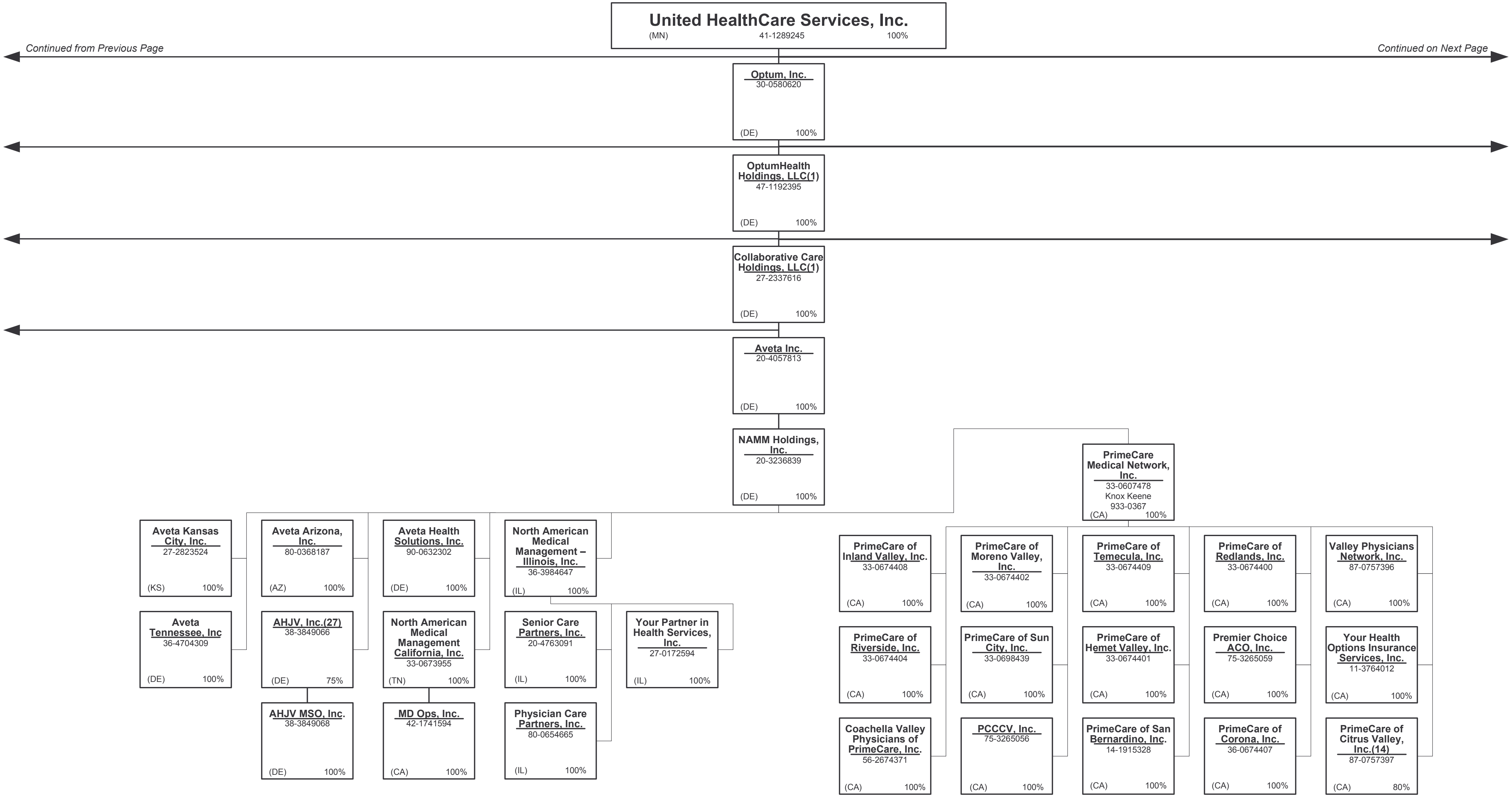

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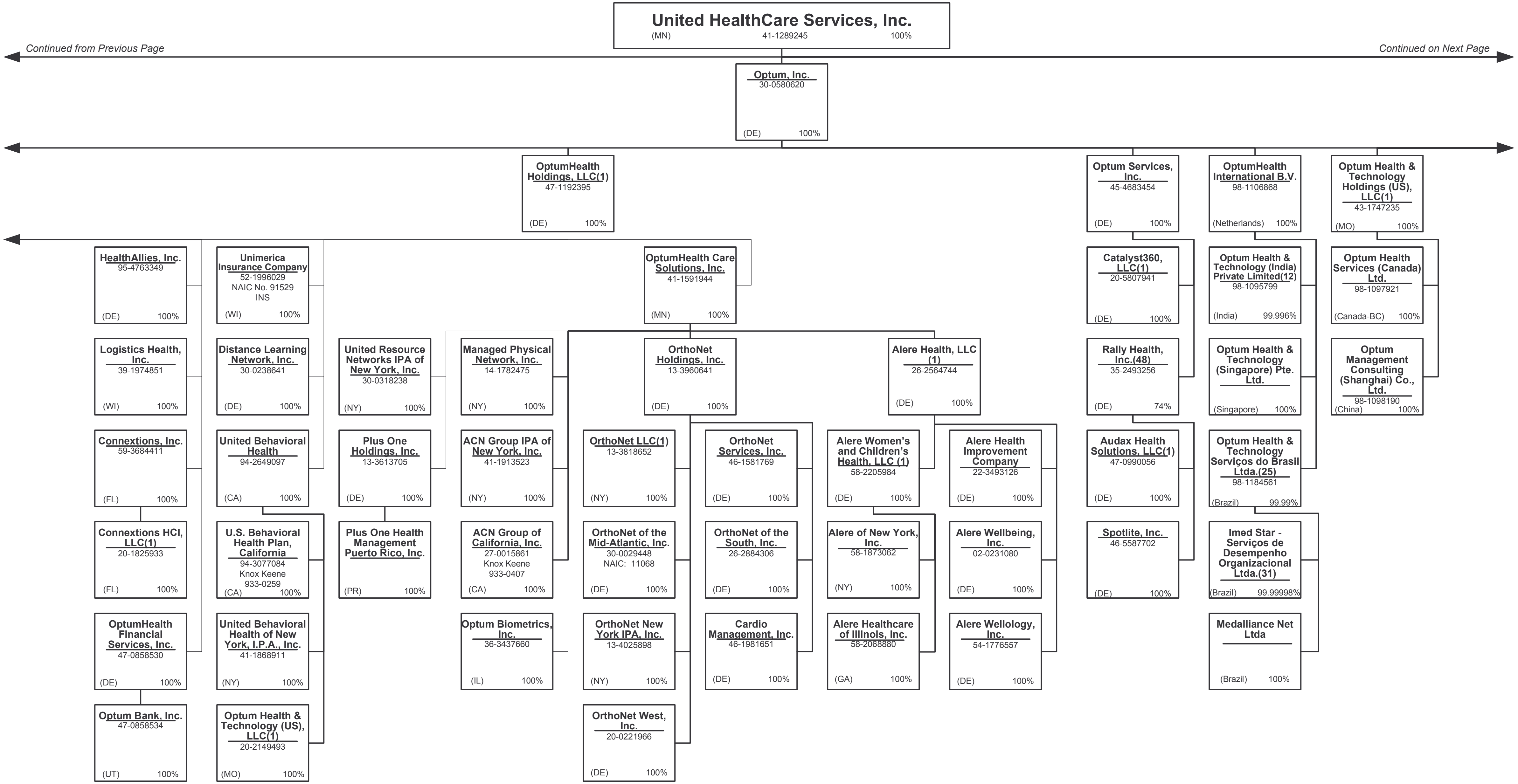
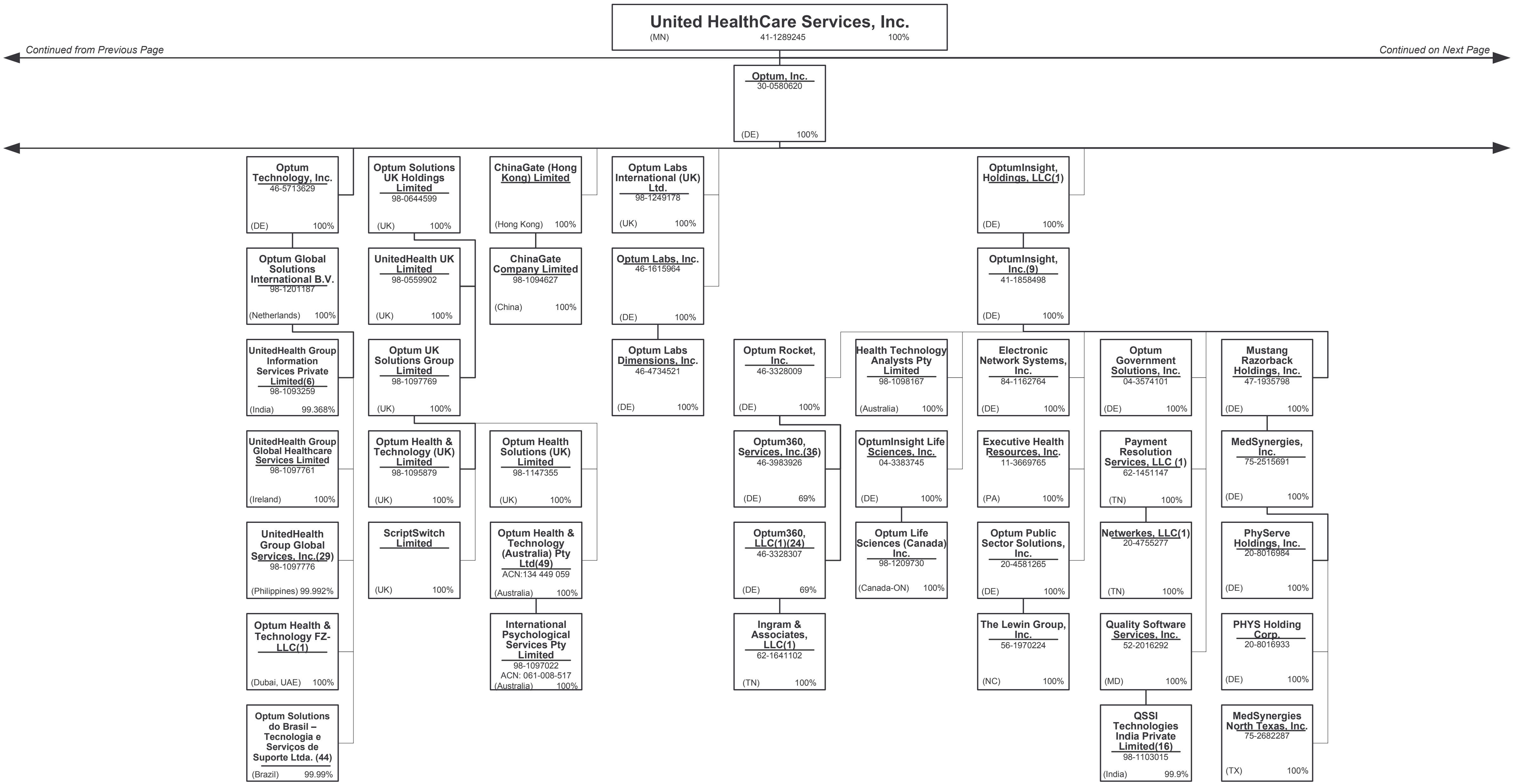


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



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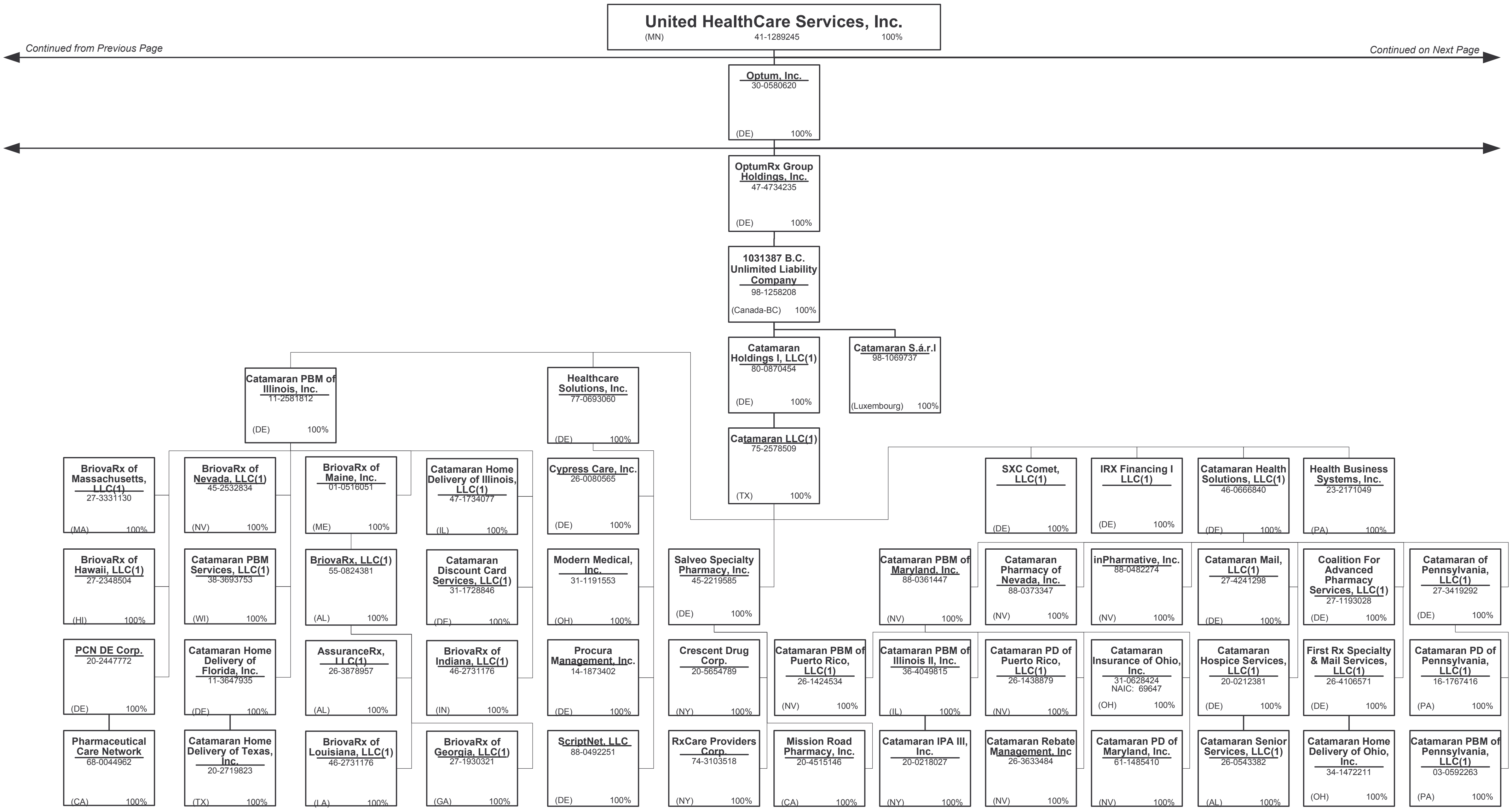

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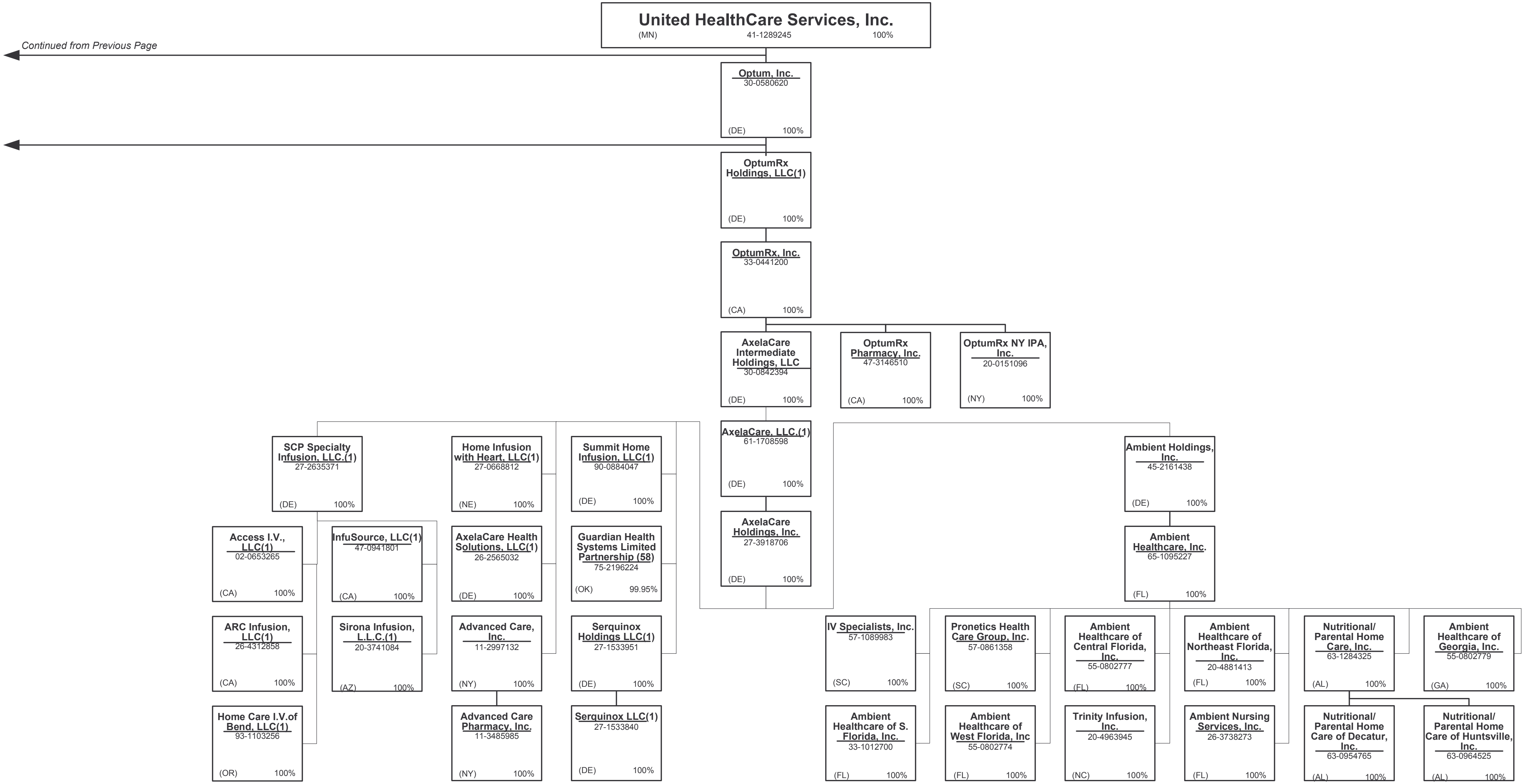

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

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 85% owned by Etho – Empresa de Technologia Hospitalar Ltda and 15% owned by COIPAR Participações S.A.

(6) UnitedHealth Group Information Services Private Limited is 99.368% owned by Optum Global Solutions International B.V. The remaining 0.632% is owned by UnitedHealth International, Inc.

(7) UnitedHealthcare India Private Limited is 99.9935% owned by UnitedHealthcare International II B.V. and 0.0065% owned by UnitedHealth International, Inc.

(8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.

(9) Branch office located in Abu Dhabi, UAE.

(10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.

(11) Seisa Serviços Integrados de Saúde Ltda is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.000008% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.

(12) Optum Health & Technology (India) Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.

(13) INSPIRIS of Texas Physicians 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) QSSI Technologies India Private Limited is 99.9% owned by Quality Software Services, Inc. and 0.1% owned by an Indian citizen.

(17) Amico Saúde Ltda. is 98.87947% owned by Amil Assistência Médica Internacional S.A. and 0.1.12053% owned by Cemed Care – Empresa de Atendimento Clinico Geral Ltda.

(18) Esho – Empresa de Serviços Hospitalares S.A. is 99.206059% owned by Amil Assistência Médica Internacional S.A.; 0.034900% owned by Treasury Shares and .759041% owned by external shareholders.

(19) Etho – Empresa de Technologia Hospitalar Ltda. 71.91% owned by Amil Assistência Médica Internacional S.A.and 28.08% owned by an external shareholder.

(20) Orthology, Inc. is 80% owned by UnitedHealth Group Ventures, LLC and 20% owned by external shareholders.

(21) Excellion Serviços Biomédicos S.A.is 100% owned by Esho – Empresa de Serviços Hospitalares S.A

(22) Branch offices in Iraq and Uganda.

(23) Cemed Care Empressa de Atendimento Clínico Geral Ltda. Is 99.999999% owned by Amil Assistência Médica Internacional S.A. and 0.000001% owned by Amico Sáude Ltda.

(24) Optum 360, LLC is 69% owned by Optum Rocket, Inc; the remaining 31% is owned by external holders.

(25) Optum Health & Technology Serviços do Brasil Ltda. is 99.9961% owned byOptumHealth International B.V. and .0039% owned by OptumInsight, Inc.

(26) Bosque Medical Center S.A. is 78.2049803% owned by Amil Assistência Médica Internacional S.A.and 21.7950197% owned by Etsho – Empresa de Servicos Hospitalarea S.A.

(27) AHJV, Inc. is 75% owned by NAMM Holdings, Inc. and 25% owned by Humana, Inc.

(28) Real Appeal, Inc. is majority-owned by UHG or one of its affiliates and the remaining 2% is owned by Real Appeal Management.

(29) UnitedHealth Group Global Services, Inc. is 99.992% owned by Optum Global Solutions International B.V., and the remaining 0.008% is held by the company's directors.

(30) Amil Clinical Research Participações Ltda. is 99.95% owned by Amil Lifesciences Participações Ltda. 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) HPP – Medicina Molecular, S.A. is 59.99852% owned by LMN - Laboratórios de Medicina Nuclear, Unipessoal, Lda. And 40.00148% owned by Lusíadas, S.A. and 5% by an officer of Amil.

(33) Hospital Alvorada Taguatinga Ltda.is 74.39679% owned by Amil Assistência Médica Internacional S.A, 25.60321% by Bosque Medical Center S.A.

(34) Amil Lifesciences Participações Ltda. Is 99.99966% owned by Amil Assistência Médica Internacional S.A and 0.00034% owned by Cemed Care Empressa de Atendimento Clinico Geral Ltda.

(35) Frontier MEDEX Kenya Limited is 99.9% owned by FrontierMEDEX Limited and 0.1% owned by UnitedHealthcare International I B.V.

(36) Optum360 Services, Inc. is 69% owned by Optum Rocket, Inc.; and the remaining 31% is owned by external shareholders.

(37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (14.8145%), Hygeia Corporation (DE) (0.2012%) and UnitedHealth Group Incorporated (84.9843%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P.

Important note: Under Federal Exchange regulations, any change in ownership of a QHP (Qualified Health Plan) issuer or any of its parent entities requires advance notice to HHS. Please contact LCRA Corporate Governance for detail

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

PART 1 – ORGANIZATIONAL CHART

Notes

(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) XLHealth Corporation India Private Limited is 99.999% held by XLHealth Corporation and 0.001% is held by an officer of the Corporation.

(40) Amil Assistência Médica Internacional S.A. is 90.23% owned by Polar II Fundo de Investimento em Participações and the remaining 9.77% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.

(41) Lusíadas A.C.E. is 70% owned by Lusíadas, SGPS, S.A., 10% owned by Lusíadas – Parcerias Cascais, S.A., and 20% owned by Lusiadas, S.A.

(42) TBD

(43) Frontier MEDEX Tanzania Limited is 99% owned by Frontier MEDEX Limited. The remaining 1% is owned by a former officer of Frontier MEDEX Limited and is being transferred to UnitedHealthcare International I BV.

(44) Optum Solutions do Brasil – Tecnologia e Serviços de Suporte Ltda., is 99.999996% owned by Optum Global Solutions International B.V.and 0.000004% owned by OptumHealth International B.V.

(45) TBD

(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) Representative office in Beijing, China.

(48) The remaining 26% is owned by internal and external investors.

(49) Branch office located in Hong Kong.

(50) Dental Center Serviços Odontológicos Ltda. is 100% owned by Seisa Servicos Integrados de Sáude Ltda.

(51) Hospital AMA S.A. is 50.48% owned by Esho – Empresa de Serviços Hospitalares S.A. and 49.52% owned by Seisa Serviços Integrados de Saúde Ltda.

(52) WESTMED Practice Partners LLC is 86.15% owned by Collaborative Care Holdings, LLC and 13.85% owned by external shareholders.

(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) Hospital Maternidade Promater Ltda is 99.99% owned by Esho – Empresa de Servicos Hospitalares S.A. and 0.00006% owned by Seisa Serviços Integrados de Saúde Ltda.

(56) Hospital Geral e Maternidade Madre Maria Theodora Ltda. is 99.9999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00001% owned by Cemed Care Empressa de Atendimento Clínico Geral Ltda.

(57) Angiografia e Hemodinâmica Madre Theodora Ltda. Is 50% owned by Esho – Empresa de Servicos Hospitalares S.A. and 50% owned by 28 individual partners.

(58) Guardian Health Systems Limited Partnership is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by AxelaCare Health Solutions, LLC.

Important note: Under Federal Exchange regulations, any change in ownership of a QHP (Qualified Health Plan) issuer or any of its parent entities requires advance notice to HHS. Please contact LCRA Corporate Governance for detail

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	445	3,582
2597. Summary of remaining write-ins for Line 25 from overflow page	75,445	78,582

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 & Consulting	22,745	1,523,758	14,075,570			15,622,073
09.305. Training & Recruiting	784	52,499	484,952			538,234
09.397. Summary of remaining write-ins for Line 9.3 from overflow page	23,529	1,576,257	14,560,522	0	0	16,160,307

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