



HEALTH QUARTERLY STATEMENT

As of March 31, 2017
of the Condition and Affairs of the

QualChoice Advantage, Inc.

NAIC Group Code.....4807, 4807
(Current Period) (Prior Period)

NAIC Company Code..... 15751

Employer's ID Number..... 47-3433912

Organized under the Laws of AR State of Domicile or Port of Entry AR Country of Domicile US

Licensed as Business Type Health Maintenance Organization Is HMO Federally Qualified? Yes [X] No []

Incorporated/Organized..... March 20, 2015 Commenced Business..... January 1, 2016

Statutory Home Office 12615 Chenal Parkway, Suite 300..... Little Rock AR US 72211
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 12615 Chenal Parkway, Suite 300..... Little Rock AR US 72211 866-789-7747
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 27510..... Federal Way WA US 98093
(Street and Number) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 33820 Weyerhaeuser Way S..... Federal Way WA US 98001 253-517-4300
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.QualChoiceAdvantage.com

Statutory Statement Contact Thuy Le 253-517-4340
(Name) (Area Code) (Telephone Number) (Extension)
thuy.le@qualchoicehealth.com 253-517-4385
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Michael Edward Stock	President	2. Steven Charles Schramm	Chief Financial Officer & Treasurer
3.		4.	

OTHER

William Nathan Young MD Chief Medical Officer

DIRECTORS OR TRUSTEES

Mark Fred Bjornson Charles William Hanson Jennifer Jean Boeff David Allen Sorenson
Michael Edward Stock

State of.....Arkansas
County of.....Saline

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.

<u>Michael Edward Stock</u> (Signature)	<u>Steven Charles Schramm</u> (Signature)	<u></u> (Signature)
Michael Edward Stock	Steven Charles Schramm	
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Chief Financial Officer & Treasurer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 28 day of April 2017
Elizabeth A. Hatten

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





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Michael Edward Stock

State of..... Washington
County of..... King

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(Signature)	(Signature)	(Signature)
Michael Edward Stock	Steven Charles Schramm	
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Chief Financial Officer & Treasurer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 10TH day of May 2017

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

CRISTIN B. LYONS
CRISTIN L.B. LYONS
EXPIRES: Nov 2017





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State of.....
County of.....

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President	Chief Financial Officer & Treasurer	
(Title)	(Title)	(Title)

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This _____ day of _____	b. If no:	
	1. State the amendment number	_____
	2. Date filed	_____
	3. Number of pages attached	_____

ASSETS

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	3,481,585		3,481,585	3,462,867
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....2,170,456), cash equivalents (\$.....0) and short-term investments (\$....2,721).....	2,173,177		2,173,177	1,246,164
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	5,654,761	0	5,654,761	4,709,031
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	12,647		12,647	12,478
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	7,117		7,117	28,990
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$....79,609) and contracts subject to redetermination (\$....78,179).....	157,788		157,788	78,179
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	17,387		17,387	
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.....	1,278		1,278	1,138
18.2 Net deferred tax asset.....			0	
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).....			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 (\$....356,712) and other amounts receivable.....	360,244	3,532	356,712	272,053
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	6,211,222	3,532	6,207,690	5,101,869
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	6,211,222	3,532	6,207,690	5,101,869

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501.			0	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	1,943,329		1,943,329	1,618,668
2. Accrued medical incentive pool and bonus amounts.....			.0	
3. Unpaid claims adjustment expenses.....	1,388		1,388	4,212
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			.0	
5. Aggregate life policy reserves.....			.0	
6. Property/casualty unearned premium reserve.....			.0	
7. Aggregate health claim reserves.....			.0	
8. Premiums received in advance.....	1,029,597		1,029,597	
9. General expenses due or accrued.....			.0	
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....			.0	
10.2 Net deferred tax liability.....			.0	
11. Ceded reinsurance premiums payable.....			.0	
12. Amounts withheld or retained for the account of others.....			.0	
13. Remittances and items not allocated.....			.0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			.0	
15. Amounts due to parent, subsidiaries and affiliates.....	113,735		113,735	108,016
16. Derivatives.....			.0	
17. Payable for securities.....			.0	
18. Payable for securities lending.....			.0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and certified \$.....0 reinsurers).....			.0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			.0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			.0	
22. Liability for amounts held under uninsured plans.....	344,614		344,614	57,722
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	.0	.0	.0	.0
24. Total liabilities (Lines 1 to 23).....	3,432,663	.0	3,432,663	1,788,618
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	.0	.0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	3,500,000	3,500,000
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	.0	.0
31. Unassigned funds (surplus).....	XXX	XXX	(724,973)	(186,748)
32. Less treasury stock, at cost:				
32.10.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.20.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	2,775,027	3,313,252
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	6,207,690	5,101,869

DETAILS OF WRITE-INS

2301.			.0	
2302.			.0	
2303.			.0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	.0	.0	.0	.0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	.0	.0
3001.				
3002.				
3003.				
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	.0	.0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	.0	.0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months.....	XXX.....	4,578	4,616	21,941
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	2,928,605	2,971,331	11,950,154
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....			78,179
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....			
5. Risk revenue.....	XXX.....			
6. Aggregate write-ins for other health care related revenues.....	XXX.....	0	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	2,928,605	2,971,331	12,028,333
Hospital and Medical:				
9. Hospital/medical benefits.....		2,669,149	2,191,918	8,545,158
10. Other professional services.....		44,911	50,482	199,950
11. Outside referrals.....				
12. Emergency room and out-of-area.....		33,784	4,017	94,890
13. Prescription drugs.....		319,852	507,162	1,602,716
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....				
16. Subtotal (Lines 9 to 15).....	0	3,067,696	2,753,579	10,442,714
Less:				
17. Net reinsurance recoveries.....		17,387		
18. Total hospital and medical (Lines 16 minus 17).....	0	3,050,309	2,753,579	10,442,714
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$.....36,624 cost containment expenses.....		56,205	37,644	262,967
21. General administrative expenses.....		375,586	406,028	1,552,184
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....				
23. Total underwriting deductions (Lines 18 through 22).....	0	3,482,100	3,197,251	12,257,864
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	(553,495)	(225,920)	(229,531)
25. Net investment income earned.....		12,019	7,182	35,327
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....		(1,436)	(845)	1,867
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	10,584	6,337	37,194
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....				
29. Aggregate write-ins for other income or expenses.....	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	(542,912)	(219,583)	(192,338)
31. Federal and foreign income taxes incurred.....	XXX.....	(141)	(296)	(4,760)
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	(542,771)	(219,287)	(187,578)

DETAILS OF WRITE-INS

0601.	XXX.....			
0602.	XXX.....			
0603.	XXX.....			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	0	0	0
0701.	XXX.....			
0702.	XXX.....			
0703.	XXX.....			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year.....	3,313,252	3,508,596	3,508,596
34. Net income or (loss) from Line 32.....	(542,771)	(219,287)	(187,578)
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....			
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....			
39. Change in nonadmitted assets.....	4,546		(8,078)
40. Change in unauthorized and certified reinsurance.....			
41. Change in treasury stock.....			
42. Change in surplus notes.....			
43. Cumulative effect of changes in accounting principles.....			
44. Capital changes:			
44.1 Paid in.....			
44.2 Transferred from surplus (Stock Dividend).....			
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....			
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....			
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	313
48. Net change in capital and surplus (Lines 34 to 47).....	(538,225)	(219,287)	(195,344)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	2,775,027	3,289,309	3,313,252

DETAILS OF WRITE-INS			
4701. PY tax adjustment.....			313
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0	313

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	3,900,466	2,967,919	11,921,164
2. Net investment income.....	15,374	6,846	41,359
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	3,915,840	2,974,765	11,962,522
5. Benefit and loss related payments.....	2,823,147	1,112,870	9,104,178
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	147,724	262,804	1,753,216
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(0)		25
10. Total (Lines 5 through 9).....	2,970,870	1,375,674	10,857,419
11. Net cash from operations (Line 4 minus Line 10).....	944,970	1,599,091	1,105,103
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	652,412	479,500	3,307,036
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			(15)
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	652,412	479,500	3,307,021
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	676,089	479,838	3,291,049
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	676,089	479,838	3,291,049
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(23,677)	(338)	15,972
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	5,719	409,633	106,816
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	5,719	409,633	106,816
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	927,013	2,008,386	1,227,891
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	1,246,164	18,273	18,273
19.2 End of period (Line 18 plus Line 19.1).....	2,173,177	2,026,659	1,246,164

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

20.0001			
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

Q07

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at End of:										
1. Prior Year.....	1,831							1,831		
2. First Quarter.....	1,530							1,530		
3. Second Quarter.....	0									
4. Third Quarter.....	0									
5. Current Year.....	0									
6. Current Year Member Months.....	4,578							4,578		
Total Member Ambulatory Encounters for Period:										
7. Physician.....	3,283							3,283		
8. Non-Physician.....	3,442							3,442		
9. Total.....	6,725	0	0	0	0	0	0	6,725	0	0
10. Hospital Patient Days Incurred.....	492							492		
11. Number of Inpatient Admissions.....	70							70		
12. Health Premiums Written (a).....	2,940,442							2,940,442		
13. Life Premiums Direct.....	0									
14. Property/Casualty Premiums Written.....	0									
15. Health Premiums Earned.....	2,940,442							2,940,442		
16. Property/Casualty Premiums Earned.....	0									
17. Amount Paid for Provision of Health Care Services.....	3,050,309							3,050,309		
18. Amount Incurred for Provision of Health Care Services.....	3,067,696							3,067,696		

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees \$.2,940,442.

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

Aging Analysis of Unpaid Claims

1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
Claims Unpaid (Reported)						
Claims Unpaid - Pharmacy.....	21,221					21,221
0199999. Individually Listed Claims Unpaid.....	21,221	0	0	0	0	21,221
0499999. Subtotals.....	21,221	0	0	0	0	21,221
0599999. Unreported Claims and Other Claim Reserves.....						1,922,108
0799999. Total Claims Unpaid.....						1,943,329

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....					0	
2. Medicare Supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal Employees Health Benefits Plan.....					0	
6. Title XVIII - Medicare.....	1,370,792	1,575,987	700,865	1,242,464	2,071,657	1,618,668
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	1,370,792	1,575,987	700,865	1,242,464	2,071,657	1,618,668
10. Healthcare receivables (a).....	141,018		267,321	92,923	408,339	280,131
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9-10+11+12).....	1,229,774	1,575,987	433,544	1,149,541	1,663,318	1,338,537

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

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statement of the company are presented on the basis of accounting practice prescribed or permitted by the Arkansas Insurance Department.

The Arkansas Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual has been adopted as a component of prescribed or permitted practices by the state of Arkansas. The Department has the right to permit other specific practices that deviate from the prescribed practices. However, the Company does not employ any such practices.

	SSAP #	F/S Page	F/S Line #	2017 Period	2016
NET INCOME					
(1) QualChoice Advantage, Inc. state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ (542,771)	\$ (187,578)
(2) State Prescribed Practice that is an increase/(decrease) from NAIC SAP					
(3) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (542,771)	\$ (187,578)
SURPLUS					
(5) QualChoice Advantage, Inc. state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 2,775,027	\$ 3,313,252
(6) State Prescribed Practice that is an increase/(decrease) from NAIC SAP					
(7) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 2,775,027	\$ 3,313,252

B. Use of Estimates in the Preparation of the Financial Statements:

The Preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods. Actual results could result in material differences from those estimates.

C. Accounting Policy

Revenue Recognition: The Company provides health benefits to Medicare-eligible members under contract with the Centers for Medicare and Medicaid Services (CMS). Premium revenue is fixed in advance of the periods covered and is not generally subject to significant accounting estimates.

Recognition of Health Care Costs: The Company arranges for medical care for its members through a combination of capitation agreements and fee-for-service programs with medical services providers. Medical and hospital expenses are recorded in the period the member receives or is entitled to the services. These expenses include payments to primary care physicians, specialists, hospitals, pharmacies and other medical services providers. Under capitation agreements, the Company pays a fixed amount per-member, per-month to providers for specified services (limited capitation) or for all services with limited exceptions (global capitation). Under limited capitation agreements and fee-for-service arrangements, the Company remains financially responsible for medical care provided to its members at discounted rates. Under global capitation agreements, the Company may retain financial responsibility for limited care, such as emergency or urgent out-of-area care, while the capitated provider group is responsible for all other care.

In addition, the Company uses the following accounting policies:

- (1) Cash and cash equivalents consist primarily of highly liquid instruments which mature within three months from the date of purchase.
- (2) Short-term investments consist primarily of investments purchased with an original maturity of 91 days to one year and certain money-market mutual funds.
- (3) Bonds are stated at amortized cost using the interest method.
- (4) Investments in common stock: None
- (5) Investments in preferred stock: None
- (6) Investments in mortgage loans: None
- (7) Investments in loan-backed securities: None
- (8) Investments in subsidiaries, controlled or affiliated companies: None

NOTES TO FINANCIAL STATEMENTS

- (9)

Investments in joint ventures, partnerships and limited liability companies: None
- (10)

Investments in derivatives: None
- (11)

The Company assesses the profitability of its contracts for providing health care services to its members when current operating results or forecasts indicate probable future losses. The Company compares anticipated premiums and investment income to health care related costs, including estimated payments for providers, and costs of collecting premiums and processing claims. If the anticipated future costs exceed the premiums, a loss contract accrual is recognized.
- (12)

Claims unpaid and claims adjustment expenses represent management’s best estimate of the ultimate net cost of all reported and unreported claims incurred through the balance sheet date. These estimates are based on estimates of unreported claims using historical and statistical information as well as other environmental and operating factors. The estimates are subject to the effects of trends in claims severity and frequency, changes in the regulatory environment and economic conditions. Although considerable variability is inherent in such estimates, management believes that the liabilities for unpaid claims and related claims adjustment expenses are adequate. The methods for making such estimates and the resulting reserves are continually reviewed and updated as necessary as experience develops or new information becomes known with any adjustments included in current operations.
- (13)

There was no change in the capitalization policy from prior periods.
- (14)

The Company estimates amounts receivable for pharmacy rebates based on members’ script counts reported by its contracted pharmacy benefits administrator. The Company follows SSAP 84 in determining the admissibility of pharmacy rebates receivable.
- (15)

Premiums receivable greater than 90 days past due are non-admitted, with the exception of amounts due under government insurance plans, which may be admitted assets.

D. Going Concern

Disclosures specific to going concern is not required because it is not probable that the entity will be unable to meet obligations within the next year.

Note 2 – Accounting Changes and Corrections of Errors

None

Note 3 – Business Combinations and Goodwill

None

Note 4 – Discontinued Operations

None

Note 5 – Investments

- A. Mortgage Loans: None
- B. Debt Restructuring: None
- C. Reverse Mortgages: None
- D. Loan-Backed Securities: None.
- E. Repurchase Agreements and/or Securities Lending Transactions: None
- F. Real Estate: None
- G. Investments in low-income housing tax credits (LIHTC): None
- H. Restricted Assets: No significant changes.
- I. Working Capital Finance Investments: None
- J. Offsetting and Netting of Assets and Liabilities: None.
- K. Structured Notes: None

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

None

Note 7 – Investment Income

No significant changes

NOTES TO FINANCIAL STATEMENTS

Note 8 – Derivative Instruments

None

Note 9 – Income Taxes

No significant changes

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant changes

Note 11 – Debt

B. FHLB (Federal Home Loan Bank) Agreements: None

c. FHLB – Prepayment Obligations

	Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO)
1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

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

A. Defined Benefit Plan: None

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No significant changes

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments: None

B.-F. Not applicable

Note 15 – Leases

No significant changes

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

No significant changes

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

B. Transfer and Servicing of Financial Assets: None

C. Wash Sales: None

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

Not applicable

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

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 20 – Fair Value Measurements

- A. The Company reports investment at amortized cost
- B.-D. None

Note 21 – Other Items

None

Note 22 – Events Subsequent

None.

Note 23 – Reinsurance

- A. Ceded Reinsurance Report

Section 3 – Ceded Reinsurance Report – Part B

- (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 (X) No ()

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$0.00.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

- E. Risk Sharing Provisions of the Affordable Care Act

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

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

The following schedule represents the changes in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves from the beginning of the year to the end of the period.

	2017	2016
Beginning liability for unpaid losses and loss adjustment expenses	1,622,880	0.00
Health Care Receivable	(280,131)	0.00
Beginning liability for unpaid losses and loss adjustment expense, net of Health Care Rec.	1,342,749	0.00
Incurring related to:		
Current year	1,598,506	9,454,429
Prior Years	1,375,004	0.00
Total paid	2,973,510	9,454,429
Ending liability for unpaid losses and loss adjustment expenses	1,944,717	1,622,880
Health Care Receivable	(360,244)	(280,131)
Ending liability for unpaid losses and loss adjustment, net of Health Care Rec.	1,584,473	1,342,749

Loss and Loss Adjustment Expenses reserves as of December 31, 2016 were \$1,622,880. As of March 31, 2017, \$1,375,004 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$700,865 as a result of re-estimation of unpaid claims and claim adjustment expenses. This has generated a (\$452,989) unfavorable prior year development from December 31, 2016 to March 31, 2017. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

NOTES TO FINANCIAL STATEMENTS

Note 26 – Intercompany Pooling Arrangements

None

Note 27 –Structured Settlements

Not applicable for Health Entities

Note 28 – Health Care Receivables

No significant changes

Note 29 – Participating policies

Not applicable to the reporting Company

Note 30 – Premium Deficiency Reserves

No significant changes

Note 31 – Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [☐] No [☒ X]
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes [☐] No [☐]
- 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

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1 and 1A.

Yes [☒ X] No [☐]
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [☐] No [☒ X]
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.

- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [☐] No [☒ X]
- 4.2

If yes, provide name of 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	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes [☐] No [☒ X] N/A [☐]
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.
- 6.2

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.
- 6.3

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).
- 6.4

By what department or departments?

- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [☐] No [☐] N/A [☒ X]
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [☐] No [☐] N/A [☒ X]
- 7.1

Has this 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]
- 7.2

If yes, give full information:

- 8.1

Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?

Yes [☐] No [☒ X]
- 8.2

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

- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [☐] No [☒ X]
- 8.4

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

- 9.1

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.
- 9.11

If the response to 9.1 is No, please explain:
- 9.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒ X]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [☐] No [☒ X]
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [☐] No [☒ X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

\$0

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$0

13. Amount of real estate and mortgages held in short-term investments:

\$0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No [X]

14.2 If yes, please complete the following:

- 14.21 Bonds
- 14.22 Preferred Stock
- 14.23 Common Stock
- 14.24 Short-Term Investments
- 14.25 Mortgage Loans on Real Estate
- 14.26 All Other
- 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)
- 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
\$0	\$0
0	0
0	0
0	0
0	0
0	0
0	0
\$0	\$0
\$0	\$0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No []

If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

16.3 Total payable for securities lending reported on the liability page:

\$0

17. 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 []

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

1 Name of Custodian(s)	2 Custodian Address
Arvest Asset Management	11331 Arcade Drive, Little Rock, AR 72212
BNY Mellon Asset Servicing	BNY Mellon Center, 500 Grant Street, Suite 410, Pittsburgh, PA 15258

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [] No [X]

17.4 If yes, give full and complete information relating thereto:

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

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

1 Name of Firm or Individual	2 Affiliation
Catholic Health Initiatives - Treasury department	A

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets?

Yes [] No []

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [] No []

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
N/A	Catholic Health Initiatives - Treasury department	47-0617373		

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

Yes [X] No []

18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1.	Operating Percentages:		
1.1	A&H loss percent		105.6 %
1.2	A&H cost containment percent		1.3 %
1.3	A&H expense percent excluding cost containment expenses		12.8 %
2.1	Do you act as a custodian for health savings accounts?	Yes [☐]	No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.		0
2.3	Do you act as an administrator for health savings accounts?	Yes [☐]	No [X]
2.4	If yes, please provide the amount of funds administered as of the reporting date.		0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1	2	3	4	5	6	7	8	9
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Reinsurer	Certified Reinsurer Rating (1 through 6)	Effective Date of Certified Reinsuer Rating
A&H Non-Affiliates								
64890.....	91-6034263.....	01/01/2017	Berkley Life and Health Insurance Company.....	IA.....	CO/I.....	Authorized.....		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

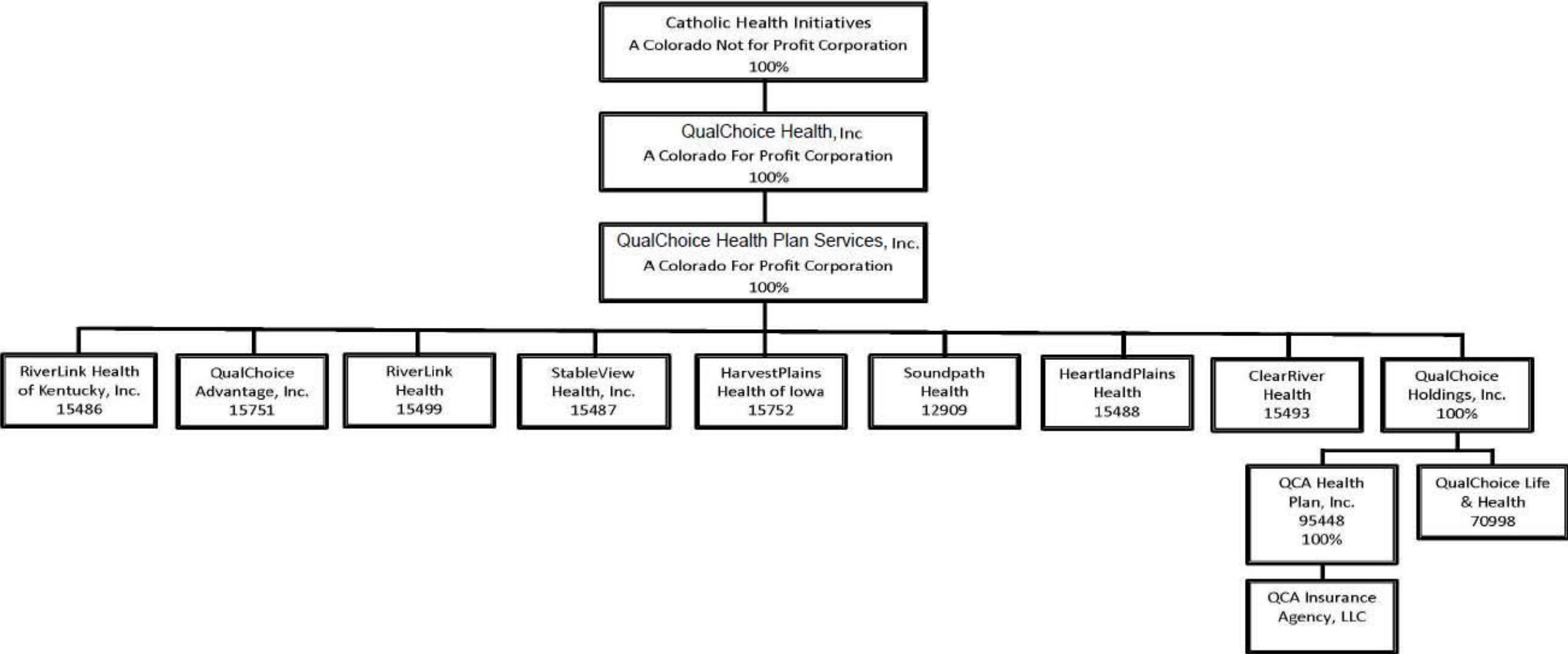
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1.	Alabama.....AL	...N...							0	
2.	Alaska.....AK	...N...							0	
3.	Arizona.....AZ	...N...							0	
4.	Arkansas.....AR	...L...		2,940,442					2,940,442	
5.	California.....CA	...N...							0	
6.	Colorado.....CO	...N...							0	
7.	Connecticut.....CT	...N...							0	
8.	Delaware.....DE	...N...							0	
9.	District of Columbia.....DC	...N...							0	
10.	Florida.....FL	...N...							0	
11.	Georgia.....GA	...N...							0	
12.	Hawaii.....HI	...N...							0	
13.	Idaho.....ID	...N...							0	
14.	Illinois.....IL	...N...							0	
15.	Indiana.....IN	...N...							0	
16.	Iowa.....IA	...N...							0	
17.	Kansas.....KS	...N...							0	
18.	Kentucky.....KY	...N...							0	
19.	Louisiana.....LA	...N...							0	
20.	Maine.....ME	...N...							0	
21.	Maryland.....MD	...N...							0	
22.	Massachusetts.....MA	...N...							0	
23.	Michigan.....MI	...N...							0	
24.	Minnesota.....MN	...N...							0	
25.	Mississippi.....MS	...N...							0	
26.	Missouri.....MO	...N...							0	
27.	Montana.....MT	...N...							0	
28.	Nebraska.....NE	...N...							0	
29.	Nevada.....NV	...N...							0	
30.	New Hampshire.....NH	...N...							0	
31.	New Jersey.....NJ	...N...							0	
32.	New Mexico.....NM	...N...							0	
33.	New York.....NY	...N...							0	
34.	North Carolina.....NC	...N...							0	
35.	North Dakota.....ND	...N...							0	
36.	Ohio.....OH	...N...							0	
37.	Oklahoma.....OK	...N...							0	
38.	Oregon.....OR	...N...							0	
39.	Pennsylvania.....PA	...N...							0	
40.	Rhode Island.....RI	...N...							0	
41.	South Carolina.....SC	...N...							0	
42.	South Dakota.....SD	...N...							0	
43.	Tennessee.....TN	...N...							0	
44.	Texas.....TX	...N...							0	
45.	Utah.....UT	...N...							0	
46.	Vermont.....VT	...N...							0	
47.	Virginia.....VA	...N...							0	
48.	Washington.....WA	...N...							0	
49.	West Virginia.....WV	...N...							0	
50.	Wisconsin.....WI	...N...							0	
51.	Wyoming.....WY	...N...							0	
52.	American Samoa.....AS	...N...							0	
53.	Guam.....GU	...N...							0	
54.	Puerto Rico.....PR	...N...							0	
55.	U.S. Virgin Islands.....VI	...N...							0	
56.	Northern Mariana Islands.....MP	...N...							0	
57.	Canada.....CAN	...N...							0	
58.	Aggregate Other alien.....OT	...XXX...	0	0	0	0	0	0	0	0
59.	Subtotal.....	...XX...	0	2,940,442	0	0	0	0	2,940,442	0
60.	Reporting entity contributions for Employee Benefit Plans.....	...XXX...							0	
61.	Total (Direct Business).....	(a)....1	0	2,940,442	0	0	0	0	2,940,442	0

DETAILS OF WRITE-INS									
58001.								0	
58002.								0	
58003.								0	
58998. Summary of remaining write-ins for line 58 from overflow page.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....		0	0	0	0	0	0	0	0

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

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Q17



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
Members															
.....			46-1224037..				QualChoice Health Plan Services, Inc.....	CO.....	UDP.....	QualChoice Health, Inc.....	Ownership.....	100.000	Catholic Health Initiatives.....	N	
4807	Catholic Hlth Initatives Grp.....	12909...	42-1720801..				Soundpath Health.....	WA.....	IA.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	
4807	Catholic Hlth Initatives Grp.....	95448...	71-0794605..				QCA Health Plan, Inc.....	AR.....	IA.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	
4807	Catholic Hlth Initatives Grp.....	70998...	71-0386640..				QualChoice Life and Health.....	AR.....	IA.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	
4807	Catholic Hlth Initatives Grp.....	15493...	46-4495960..				ClearRiver Health.....	TN.....	IA.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	
4807	Catholic Hlth Initatives Grp.....	15488...	46-4368223..				HeartlandPlains Health.....	NE.....	IA.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	
4807	Catholic Hlth Initatives Grp.....	15499...	46-4380824..				RiverLink Health.....	OH.....	IA.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	
4807	Catholic Hlth Initatives Grp.....	15486...	46-4828332..				RiverLink Health of Kentucky, Inc.....	KY.....	IA.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	
4807	Catholic Hlth Initatives Grp.....	15487...	46-4373713..				StableView Health Inc.....	KY.....	IA.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	
4807	Catholic Hlth Initatives Grp.....	15751...	47-3433912..				QualChoice Advantage Inc.....	AR.....	RE.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	
4807	Catholic Hlth Initatives Grp.....	15752...	47-3451750..				HarvestPlains Health of Iowa.....	IA.....	IA.....	QualChoice Health Plan Services, Inc.....	Ownership.....	100.000	QualChoice Health, Inc /Catholic Health Initiatives..	N	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:
1. The data for this supplement is not required to be filed.

Bar Code:


* 1 5 7 5 1 2 0 1 7 3 6 5 0 0 0 0 1 *

QualChoice Advantage, Inc.
Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	3,462,867	3,488,963
2. Cost of bonds and stocks acquired.....	676,089	3,291,048
3. Accrual of discount.....	504	1,499
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	(1,436)	1,881
6. Deduct consideration for bonds and stocks disposed of.....	652,415	3,307,035
7. Deduct amortization of premium.....	4,024	13,489
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	3,481,584	3,462,867
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	3,481,584	3,462,867

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

QS102

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	3,094,994	650,523	610,892	(12,420)	3,122,205			3,094,994
2. NAIC 2 (a).....	411,087	25,568	83,337	8,783	362,101			411,087
3. NAIC 3 (a).....					0			
4. NAIC 4 (a).....					0			
5. NAIC 5 (a).....					0			
6. NAIC 6 (a).....					0			
7. Total Bonds.....	3,506,081	676,091	694,229	(3,637)	3,484,306	0	0	3,506,081
PREFERRED STOCK								
8. NAIC 1.....					0			
9. NAIC 2.....					0			
10. NAIC 3.....					0			
11. NAIC 4.....					0			
12. NAIC 5.....					0			
13. NAIC 6.....					0			
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	3,506,081	676,091	694,229	(3,637)	3,484,306	0	0	3,506,081

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....3,122,205; NAIC 2 \$.....362,101; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	2,721	XXX.....	2,721	2	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	43,214	2,349
2. Cost of short-term investments acquired.....	3	53,157
3. Accrual of discount.....	2	10
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	7	(15)
6. Deduct consideration received on disposals.....	40,386	11,706
7. Deduct amortization of premium.....	119	581
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	2,721	43,214
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	2,721	43,214

Sch. DB - Pt. A - Verification
NONE

Sch. DB - Pt. B - Verification
NONE

Sch. DB - Pt. C - Sn. 1
NONE

Sch. DB - Pt. C - Sn. 2
NONE

Sch. DB - Verification
NONE

Sch. E - Verification
NONE

Sch. A - Pt. 2
NONE

Sch. A - Pt. 3
NONE

Sch. B - Pt. 2
NONE

Sch. B - Pt. 3
NONE

Sch. BA - Pt. 2
NONE

Sch. BA - Pt. 3
NONE

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1			2		3	4	5		6	7	8	9	10
CUSIP Identification			Description		Foreign	Date Acquired	Name of Vendor		Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government													
912828	U7	3	UNITED STATES TREASURY NOTE/BOND.....			01/05/2017.....	MORGAN STANLEY & CO.....			94,904	95,000	.79	1.....
912828	V3	1	UNITED STATES TREASURY NOTE/BOND.....			02/02/2017.....	DEUTSCHE BANC/ALEX B.....			64,855	65,000	.47	1.....
912828	V5	6	UNITED STATES TREASURY NOTE/BOND.....			02/07/2017.....	VARIOUS.....			129,841	130,000	.20	1.....
912828	W2	2	UNITED STATES TREASURY NOTE/BOND.....			03/03/2017.....	BANC/AMERICA SECUR.L.....			74,487	75,000	.54	1.....
0599999. Total - Bonds - U.S. Government.....										364,087	365,000	200	XXX.....
Bonds - U.S. States, Territories and Possessions													
882723	7H	6	STATE OF TEXAS.....			01/26/2017.....	JEFFERIES & COMPANY.....			5,000	5,000		1FE.....
1799999. Total - Bonds - U.S. States, Territories & Possessions.....										5,000	5,000	0	XXX.....
Bonds - U.S. Special Revenue and Special Assessment													
3135G0	T2	9	FEDERAL NATIONAL MORTGAGE ASSOCIATION.....			03/03/2017.....	MORGAN STANLEY & CO.....			79,501	80,000	.27	1.....
88213A	HF	5	TEXAS A&M UNIVERSITY.....			01/11/2017.....	55P.....			15,000	15,000		1FE.....
914805	EQ	5	UNIVERSITY OF PITTSBURGH-OF THE COMMONWE.....			01/06/2017.....	WACHOVIA CAP MKTS/WA.....			25,000	25,000		1FE.....
3199999. Total - Bonds - U.S. Special Revenue and Special Assessments.....										119,501	120,000	.27	XXX.....
Bonds - Industrial and Miscellaneous													
00206R	CY	6	AT&T INC.....			03/07/2017.....	US BANKCORP INVESTME.....			5,406	5,000	126	2FE.....
03065F	AD	4	AMERICREDIT AUTOMOBILE RECEIVABLES TRUST.....			02/13/2017.....	JPM SECURITIES-FIXED.....			10,000	10,000		1FE.....
03523T	AN	8	ANHEUSER-BUSCH INBEV WORLDWIDE INC.....			02/06/2017.....	GOLDMAN SACHS & CO.....			10,944	10,000	.36	1FE.....
055657	AD	2	BMW VEHICLE LEASE TRUST.....			03/15/2017.....	BARCLAYS CAPITAL INC.....			10,000	10,000		1FE.....
166764	BP	4	CHEVRON CORP.....			03/06/2017.....	MITSUBISHI UFJ SECS.....			14,978	15,000	.5	1FE.....
172967	LF	6	CITIGROUP INC.....			01/04/2017.....	CITIGROUP GBL MKTS/S.....			9,996	10,000		2FE.....
24422E	TM	1	JOHN DEERE CAPITAL CORP.....			01/03/2017.....	MERRILL LYNCH PIERCE.....			14,990	15,000		1FE.....
31620M	AN	6	FIDELITY NATIONAL INFORMATION SERVICES I.....			02/14/2017.....	WELLS FARGO SECS LLC.....			10,167	10,000	.97	2FE.....
36253W	AE	7	GM FINANCIAL AUTOMOBILE LEASING TRUST 20.....			03/07/2017.....	DEUTSCHE BANC/ALEX B.....			9,999	10,000		1FE.....
68389X	AX	3	ORACLE CORP.....			03/20/2017.....	WELLS FARGO SECS LLC.....			10,110	10,000	103	1FE.....
718172	BX	6	PHILIP MORRIS INTERNATIONAL INC.....			02/15/2017.....	CREDIT SUISSE FIRST.....			4,969	5,000		1FE.....
74432Q	CB	9	PRUDENTIAL FINANCIAL INC.....			03/07/2017.....	CITIGROUP GLOBAL MKT.....			10,085	10,000	.16	1FE.....
80284T	AF	2	SANTANDER DRIVE AUTO RECEIVABLES TRUST 2.....			02/23/2017.....	CITIGROUP GLOBAL MKT.....			10,000	10,000		1FE.....
91324P	CB	6	UNITEDHEALTH GROUP INC.....			02/16/2017.....	TORONTO DOMINION SEC.....			14,967	15,000	106	1FE.....
931142	CP	6	WAL-MART STORES INC.....			01/23/2017.....	PERSHING & COMPANY.....			15,796	15,000	301	1FE.....
89114Q	BE	7	TORONTO-DOMINION BANK/THE.....	A.....		01/18/2017.....	TORONTO DOMINION SEC.....			15,013	15,000	.2	1FE.....
05565Q	CX	4	BP CAPITAL MARKETS PLC.....	D.....		02/08/2017.....	BARCLAYS CAPITAL FIX.....			10,081	10,000	.1	1FE.....
3899999. Total - Bonds - Industrial and Miscellaneous.....										187,501	185,000	.793	XXX.....
8399997. Total - Bonds - Part 3.....										676,089	675,000	1,020	XXX.....
8399999. Total - Bonds.....										676,089	675,000	1,020	XXX.....
9999999. Total - Bonds, Preferred and Common Stocks.....										676,089	XXX	1,020	XXX.....

(a)

For all common stock bearing NAIC market indicator "U" provide the number of such issues:0.

QE04

SCHEDULE D - PART 4

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

1	2			3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
	11	12	13									14	15										
CUSIP Identification	Description			F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																							
912828	R5	1	UNITED STATES TREASURY NOTE/BOND	..	01/05/2017.	CITIGROUP GBL MKTS/S.....		64,904	65,000	64,987	64,991				0		64,991		(88)	(88)	58	05/31/2018.	1.....
912828	XF	2	UNITED STATES TREASURY NOTE/BOND	..	02/02/2017.	VARIOUS.....		225,398	225,000	225,853	225,422			(21)	(21)		225,400		(2)	(2)	307	06/15/2018.	1.....
0599999.		Total - Bonds - U.S. Government.....						290,302	290,000	290,840	290,413	0	(21)	0	(21)	0	290,391	0	(90)	(90)	365	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																							
3135G0	TG	8	FEDERAL NATIONAL MORTGAGE ASSOCIATION	..	03/03/2017.	VARIOUS.....		159,819	160,000	159,797	159,918			11	11		159,929		(110)	(110)	775	02/08/2018.	1.....
3199999.		Total - Bonds - U.S. Special Revenue and Special Assessments.....						159,819	160,000	159,797	159,918	0	11	0	11	0	159,929	0	(110)	(110)	775	XXX	XXX
Bonds - Industrial and Miscellaneous																							
00206R	CW	0	AT&T INC.....	..	03/07/2017.	TORONTO DOMINION SEC.....		10,018	10,000	10,061	10,038		(7)		(7)		10,031		(13)	(13)	114	01/15/2018.	2FE.....
00817Y	AT	5	AETNA INC.....	..	03/16/2017.	CALL 101.....		10,000	10,000	9,993	9,994		1		1		9,994		6	6	152	06/07/2019.	2FE.....
035229	DD	2	ANHEUSER-BUSCH COS LLC.....	..	02/06/2017.	WELLS FARGO SECS LLC.....		10,377	10,000	10,724	10,450		(46)		(46)		10,404		(27)	(27)	312	01/15/2018.	1FE.....
11575T	AA	6	BROWN UNIVERSITY IN PROVIDENCE IN THE ST	..	02/22/2017.	CALL 107.153147.....		13,000	13,000	14,263	14,036		(55)		(55)		13,982		(982)	(982)	1,212	09/01/2019.	1FE.....
166764	AA	8	CHEVRON CORP.....	..	03/06/2017.	BARCLAYS CAPITAL FIX.....		14,979	15,000	15,001	15,001				0		15,001		(22)	(22)	43	12/05/2017.	1FE.....
172967	JW	2	CITIGROUP INC.....	..	01/04/2017.	GOLDMAN SACHS & CO.....		10,034	10,000	10,111	10,080		(1)		(1)		10,079		(45)	(45)	95	07/30/2018.	2FE.....
24422E	SR	1	JOHN DEERE CAPITAL CORP.....	..	01/03/2017.	BARCLAYS CAPITAL INC.....		10,024	10,000	10,106	10,064		(1)		(1)		10,063		(39)	(39)	9	12/15/2017.	1FE.....
36251P	AA	2	GS MORTGAGE SECURITIES TRUST 2016-GS3	..	03/01/2017.	PAYDOWN.....		561	561	561	561				0		561				1	10/01/2049.	1FE.....
46645U	AQ	0	JP MORGAN CHASE COMMERCIAL MORTGAGE SECU	..	03/01/2017.	PAYDOWN.....		557	557	557	557				0		557				2	12/01/2049.	1FE.....
651229	AT	3	NEWELL BRANDS INC.....	..	03/22/2017.	NON-BROKER/ *TRADE*.....		8,141	8,000	8,171	8,134		(14)		(14)		8,120		21	21	103	03/29/2019.	2FE.....
68389X	AC	9	ORACLE CORP.....	..	03/20/2017.	WELLS FARGO SECS LLC.....		10,452	10,000	10,894	10,599		(103)		(103)		10,496		(44)	(44)	252	04/15/2018.	1FE.....
718172	AH	2	PHILIP MORRIS INTERNATIONAL INC.....	..	02/21/2017.	MILLENNIUM ADVISORS.....		10,699	10,000	10,724	10,714		(32)		(32)		10,682		18	18	185	03/26/2020.	1FE.....
718172	BX	6	PHILIP MORRIS INTERNATIONAL INC.....	..	02/21/2017.	PERSHING & COMPANY.....		4,983	5,000	4,969					0		4,969		14	14	1	02/21/2020.	1FE.....
74432Q	BC	8	PRUDENTIAL FINANCIAL INC.....	..	03/07/2017.	GOLDMAN SACHS & CO.....		2,064	2,000	2,140	2,086		(18)		(18)		2,069		(5)	(5)	33	12/01/2017.	1FE.....
761713	BC	9	REYNOLDS AMERICAN INC.....	..	02/21/2017.	MILLENNIUM ADVISORS.....		10,067	10,000	10,203	10,141		(14)		(14)		10,127		(60)	(60)	46	06/12/2018.	2FE.....
80285E	AD	9	SANTANDER DRIVE AUTO RECEIVABLES TRUST 2	..	02/14/2017.	GOLDMAN SACHS & CO.....		25,029	25,000	25,061	25,043		(4)		(4)		25,039		(10)	(10)	70	03/16/2020.	1FE.....
91324P	BY	7	UNITEDHEALTH GROUP INC.....	..	02/16/2017.	CREDIT SUISSE FIRST.....		15,003	15,000	15,086	15,047		(9)		(9)		15,039		(36)	(36)	74	10/15/2017.	1FE.....
92343V	DF	8	VERIZON COMMUNICATIONS INC.....	..	02/03/2017.	NON-BROKER/ *TRADE*.....		9,949	10,000	9,976	9,979		1		1		9,979		(30)	(30)	70	08/15/2019.	2FE.....
931427	AM	0	WALGREENS BOOTS ALLIANCE INC.....	..	01/19/2017.	JPMORGAN SECURITIES.....		10,009	10,000	10,018	10,013		(1)		(1)		10,012		(3)	(3)	26	05/30/2018.	2FE.....
95000G	AW	4	WELLS FARGO COMMERCIAL MORTGAGE TRUST 20	..	03/01/2017.	PAYDOWN.....		372	372	372	372				0		372				1	08/01/2049.	1FM.....
055451	AH	1	BHP BILLITON FINANCE USA LTD.....	D	02/23/2017.	NON-BROKER/ *TRADE*.....		11,073	10,000	11,305	11,028		(74)		(74)		10,954		120	120	273	04/01/2019.	1FE.....
88167A	AB	7	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	D	02/13/2017.	DEUTSCHE BANC/ALEX B.....		4,900	5,000	5,000	5,000				0		5,000		(99)	(99)	48	07/19/2019.	2FE.....
3899999.		Total - Bonds - Industrial and Miscellaneous.....						202,291	199,490	205,296	198,937	0	(377)	0	(377)	0	203,530	0	(1,236)	(1,236)	3,122	XXX	XXX

QE05

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than- Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
8399997.	Total - Bonds - Part 4.....					652,412	649,490	655,933	649,268	0	(387)	0	(387)	0	653,850	0	(1,436)	(1,436)	4,262	XXX	XXX
8399999.	Total - Bonds.....					652,412	649,490	655,933	649,268	0	(387)	0	(387)	0	653,850	0	(1,436)	(1,436)	4,262	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks.....					652,412	XXX	655,933	649,268	0	(387)	0	(387)	0	653,850	0	(1,436)	(1,436)	4,262	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:0.

Sch. DB - Pt. A - Sn. 1
NONE

Sch. DB - Pt. B - Sn. 1
NONE

Sch. DB - Pt. D - Sn. 1
NONE

Sch. DB - Pt. D - Sn. 2
NONE

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
BANK OF NEW YOR..... K MEL.....					3,607	64,518	62,656	XXX
Bank of America - Brea, CA.....					1,483,200	1,185,875	2,107,800	XXX
0199999. Total Open Depositories.....	XXX	XXX	0	0	1,486,807	1,250,393	2,170,456	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	0	0	1,486,807	1,250,393	2,170,456	XXX
0599999. Total Cash.....	XXX	XXX	0	0	1,486,807	1,250,393	2,170,456	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year

NONE