



**ANNUAL STATEMENT**  
**FOR THE YEAR ENDING DECEMBER 31, 2015**  
 OF THE CONDITION AND AFFAIRS OF THE

**CELTIC INSURANCE COMPANY**

NAIC Group Code 1295 , 1295 NAIC Company Code 80799 Employer's ID Number 06-0641618  
(Current Period) (Prior Period)

Organized under the Laws of Illinois , State of Domicile or Port of Entry Illinois  
 Country of Domicile United States

Licensed as business type: Life, Accident & Health [  ] Property/Casualty [  ] Hospital, Medical & Dental Service or Indemnity [  ]  
 Dental Service Corporation [  ] Vision Service Corporation [  ] Health Maintenance Organization [  ]  
 Other [  ] Is HMO, Federally Qualified? Yes [  ] No [  ]

Incorporated/Organized 05/03/1949 Commenced Business 01/20/1950

Statutory Home Office 77 W. Wacker Drive, Suite 1200 , Chicago, IL, US 60601  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 77 W. Wacker Drive, Suite 1200  
(Street and Number)  
Chicago, IL, US 60601 800-714-4658  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 77 W. Wacker Drive, Suite 1200 , Chicago, IL, US 60601  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 77 W. Wacker Drive, Suite 1200  
(Street and Number)  
Chicago, IL, US 60601 800-714-4658  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.celtic-net.com

Statutory Statement Contact Bryan D. Carlin , 314-445-0004  
(Name) (Area Code) (Telephone Number) (Extension)  
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(E-Mail Address) (Fax Number)

**OFFICERS**

Name	Title	Name	Title
<u>Anand A. Shukla</u>	<u>Senior Vice President</u>	<u>David J. Burke</u>	<u>Vice President Treasurer</u>
<u>Karen E. Wegg</u>	<u>Vice President Administration</u>		

**OTHER OFFICERS**

<u>Rone K. Baldwin</u>	<u>President</u>	<u>Barbara Basham #</u>	<u>Vice President</u>
<u>John P. Ryan #</u>	<u>Vice President</u>	<u>Steele Stewart #</u>	<u>Vice President Actuary</u>
<u>William N. Scheffel #</u>	<u>Vice President</u>	<u>Jeffrey A. Schwaneke #</u>	<u>Controller</u>
<u>Keith H. Williamson</u>	<u>Secretary</u>	<u>Tricia L. Dinkelman #</u>	<u>Vice President of Tax</u>
<u>Aparna Abburu #</u>	<u>Senior Vice President</u>		

**DIRECTORS OR TRUSTEES**

<u>Anand A. Shukla</u>	<u>Tricia L. Dinkelman</u>	<u>David J. Burke</u>	<u>Dale F. Schmidt #</u>
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State of .....  
 County of .....

**ss**

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

Anand A. Shukla  
 Senior Vice President

David J. Burke  
 Vice President Treasurer

Karen E. Wegg  
 Vice President Administration

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_,

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

Pedro Galvan, Notary Public  
 12/23/2019

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	63,395,384	495,000	62,900,384	40,442,225
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0		0	0
2.2 Common stocks .....	7,353,019	3,032,853	4,320,166	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 \$ ..... encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....13,766,025 , Schedule E-Part 1), cash equivalents (\$ .....799,977 , Schedule E-Part 2) and short-term investments (\$ .....10,229,577 , Schedule DA).....	24,795,578		24,795,578	84,933,755
6. Contract loans (including \$ ..... premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA) .....	1,332,726		1,332,726	1,051,753
9. Receivables for securities .....			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) .....	96,876,707	3,527,853	93,348,854	126,427,733
13. Title plants less \$ ..... charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	453,986		453,986	290,967
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	2,481,940		2,481,940	1,131,344
15.2 Deferred premiums, 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 (\$ ..... ) .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	8,448,820		8,448,820	4,607,072
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....	1,522,576		1,522,576	1,174,263
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	741,786		741,786	878,831
18.2 Net deferred tax asset.....	4,087,948	290,756	3,797,192	496,097
19. Guaranty funds receivable or on deposit .....	16,589		16,589	71,950
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 .....	28,273,282		28,273,282	81,949
24. Health care (\$ .....810,902 ) and other amounts receivable.....	2,567,504	1,756,602	810,902	1,439,277
25. Aggregate write-ins for other-than-invested assets .....	157,664	157,664	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	145,628,802	5,732,875	139,895,927	136,599,483
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	145,628,802	5,732,875	139,895,927	136,599,483
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. PREPAID ASSETS.....	157,664	157,664	0	0
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	157,664	157,664	0	0

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....2,051,622 reinsurance ceded)	34,342,185		34,342,185	19,987,567
2. Accrued medical incentive pool and bonus amounts	140,956		140,956	0
3. Unpaid claims adjustment expenses	433,287		433,287	370,685
4. Aggregate health policy reserves, including the liability of \$ .....7,020,676 for medical loss ratio rebate per the Public Health Service Act	9,534,148		9,534,148	1,085,540
5. Aggregate life policy reserves	4,096,821		4,096,821	4,344,907
6. Property/casualty unearned premium reserves	0		0	0
7. Aggregate health claim reserves	0		0	0
8. Premiums received in advance	23,416,245		23,416,245	142,434
9. General expenses due or accrued	3,517,431		3,517,431	3,879,835
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses))			0	0
10.2 Net deferred tax liability	0		0	0
11. Ceded reinsurance premiums payable	1,825,898		1,825,898	1,429,591
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	2,847,201		2,847,201	32,144,139
16. Derivatives		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ .....1,493,175 authorized reinsurers, \$ ..... unapproved reinsurers and \$ ..... certified reinsurers)	1,493,175		1,493,175	1,365,187
20. Reinsurance in unauthorized and certified (\$ .....) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ ..... current)	20,059,789	0	20,059,789	42,488,938
24. Total liabilities (Lines 1 to 23)	101,707,136	0	101,707,136	107,238,823
25. Aggregate write-ins for special surplus funds	XXX	XXX	2,805,873	2,446,457
26. Common capital stock	XXX	XXX	2,500,000	2,500,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	45,588,655	45,588,655
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(12,705,736)	(21,174,453)
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... )	XXX	XXX		0
32.2 ..... shares preferred (value included in Line 27 \$ ..... )	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	38,188,792	29,360,659
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	139,895,928	136,599,482
<b>DETAILS OF WRITE-INS</b>				
2301. ACA Risk Adjustment Payable	11,702,152		11,702,152	13,951,643
2302. ACA Cost Sharing Payable	7,585,305		7,585,305	27,716,437
2303. Unclaimed Property	283,386		283,386	400,858
2398. Summary of remaining write-ins for Line 23 from overflow page	488,946	0	488,946	420,000
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	20,059,789	0	20,059,789	42,488,938
2501. Health Insurer Fee Estimate	XXX	XXX	2,805,873	2,446,457
2502. ....	XXX	XXX		0
2503. ....	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	2,805,873	2,446,457
3001. ....	XXX	XXX		0
3002. ....	XXX	XXX		0
3003. ....	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	617,892	405,699
2. Net premium income (including \$ .....0 non-health premium income).....	XXX	170,700,969	129,792,518
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		0
5. Risk revenue .....	XXX		0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	170,700,969	129,792,518
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		59,565,547	51,853,031
10. Other professional services .....		15,152,769	15,951,449
11. Outside referrals .....			0
12. Emergency room and out-of-area .....		19,990,096	14,444,747
13. Prescription drugs .....		37,979,575	20,496,832
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		159,616	0
16. Subtotal (Lines 9 to 15) .....	0	132,847,603	102,746,059
<b>Less:</b>			
17. Net reinsurance recoveries .....		12,150,520	5,862,936
18. Total hospital and medical (Lines 16 minus 17) .....	0	120,697,083	96,883,123
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ .....663,919 cost containment expenses.....		6,553,413	4,527,643
21. General administrative expenses.....		28,771,468	23,854,908
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only).....		(69,161)	0
23. Total underwriting deductions (Lines 18 through 22) .....	0	155,952,803	125,265,674
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	14,748,166	4,526,844
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,115,980	1,014,703
26. Net realized capital gains (losses) less capital gains tax of \$ .....5,596 .....		10,393	0
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	1,126,373	1,014,703
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ .....280,944 )].....		(280,944)	(22,865)
29. Aggregate write-ins for other income or expenses .....	0	975,909	566,164
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	16,569,504	6,084,846
31. Federal and foreign income taxes incurred .....	XXX	8,260,436	1,775,038
32. Net income (loss) (Lines 30 minus 31) .....	XXX	8,309,068	4,309,808
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	0	0
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	0	0
2901. Network Rental.....		1,069,295	803,516
2902. Annuity Income.....		(226,278)	(237,567)
2903. Interest Maintenance Reserve Elimination.....		132,892	0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	215
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	975,909	566,164

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	29,360,659	43,821,671
34. Net income or (loss) from Line 32 .....	8,309,068	4,309,807
35. Change in valuation basis of aggregate policy and claim reserves .....		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... 11,716 .....	1,324,777	221,909
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0
38. Change in net deferred income tax .....	3,603,422	615,587
39. Change in nonadmitted assets .....	(4,829,134)	460,628
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles .....		0
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend) .....		0
44.3 Transferred to surplus .....		0
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0
45.3 Transferred from capital .....		0
46. Dividends to stockholders .....		(20,000,000)
47. Aggregate write-ins for gains or (losses) in surplus .....	420,000	(68,943)
48. Net change in capital and surplus (Lines 34 to 47) .....	8,828,133	(14,461,012)
49. Capital and surplus end of reporting year (Line 33 plus 48)	38,188,792	29,360,659
<b>DETAILS OF WRITE-INS</b>		
4701. Change in Asset Valuation Reserve.....	420,000	(68,943)
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	420,000	(68,943)

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	193,329,714	146,130,893
2. Net investment income	1,404,398	1,680,117
3. Miscellaneous income	1,058,289	1,585,846
4. Total (Lines 1 through 3)	195,792,401	149,396,856
5. Benefit and loss related payments	139,038,671	65,778,073
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	95,049,224	9,520,206
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	8,129,132	646,399
10. Total (Lines 5 through 9)	242,217,027	75,944,678
11. Net cash from operations (Line 4 minus Line 10)	(46,424,626)	73,452,178
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	15,514,437	35,958,212
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	217,168
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	37	0
12.7 Miscellaneous proceeds	1	39,682
12.8 Total investment proceeds (Lines 12.1 to 12.7)	15,514,475	36,215,062
13. Cost of investments acquired (long-term only):		
13.1 Bonds	38,297,942	15,552,450
13.2 Stocks	6,050,000	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	247,500	307,500
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	44,595,442	15,859,950
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)	(29,080,967)	20,355,112
<b>Cash from Financing and Miscellaneous Sources</b>		
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	0	20,000,000
16.6 Other cash provided (applied)	15,367,416	54,913
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	15,367,416	(19,945,087)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(60,138,177)	73,862,203
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	84,933,755	11,071,552
19.2 End of year (Line 18 plus Line 19.1)	24,795,578	84,933,755

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	170,700,969	170,700,969	0	0	0	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	170,700,969	170,700,969	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	59,565,547	59,565,547								XXX
9. Other professional services	15,152,769	15,152,769								XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	19,990,096	19,990,096								XXX
12. Prescription drugs	37,979,575	37,979,575								XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	159,616	159,616								XXX
15. Subtotal (Lines 8 to 14)	132,847,603	132,847,603	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	12,150,520	12,150,520								XXX
17. Total hospital and medical (Lines 15 minus 16)	120,697,083	120,697,083	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 663,919 cost containment expenses	6,553,413	6,553,413								
20. General administrative expenses	28,771,469	29,026,602	(249,579)	(2,301)					(833)	(2,420)
21. Increase in reserves for accident and health contracts	(69,161)	(69,161)								XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	155,952,804	156,207,937	(249,579)	(2,301)	0	0	0	0	(833)	(2,420)
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	14,748,165	14,493,032	249,579	2,301	0	0	0	0	833	2,420
<b>DETAILS OF WRITE-INS</b>										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**  
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....	174,569,883		3,868,914	170,700,969
2. Medicare Supplement .....	9,909,066		9,909,066	.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8) .....	184,478,949	.0	13,777,980	170,700,969
10. Life .....	102,013		102,013	.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	184,580,962	0	13,879,993	170,700,969

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 – CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct .....	119,353,575	119,353,575								
1.2 Reinsurance assumed .....	0	0								
1.3 Reinsurance ceded .....	6,639,121	6,639,121								
1.4 Net .....	112,714,454	112,714,454	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses .....	18,660	18,660								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	36,393,721	36,393,721	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed .....	87	87	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	2,051,622	2,051,622	0	0	0	0	0	0	0	0
3.4 Net .....	34,342,186	34,342,186	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....	0	0								
4.2 Reinsurance assumed .....	0	0								
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year .....	140,956	140,956								
6. Net healthcare receivables (a).....	2,505,866	2,505,866								
7. Amounts recoverable from reinsurers December 31, current year .....	8,448,820	8,448,820								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	20,553,528	20,553,528	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	565,959	565,959	0	0	0	0	0	0	0	0
8.4 Net .....	19,987,569	19,987,569	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
9.4 Net .....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year .....	0	0								
11. Amounts recoverable from reinsurers December 31, prior year .....	4,423,083	4,423,083	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct .....	132,687,902	132,687,902	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed .....	87	87	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	12,150,521	12,150,521	0	0	0	0	0	0	0	0
12.4 Net .....	120,537,468	120,537,468	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses .....	159,616	159,616	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct .....	14,656,105	14,656,105								
1.2. Reinsurance assumed .....	.87	.87								
1.3. Reinsurance ceded .....	.0									
1.4. Net .....	14,656,192	14,656,192	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:										
2.1. Direct .....	21,737,616	21,737,616								
2.2. Reinsurance assumed .....	.0									
2.3. Reinsurance ceded .....	2,051,622	2,051,622								
2.4. Net .....	19,685,994	19,685,994	.0	.0	.0	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct .....	.0									
3.2. Reinsurance assumed .....	.0									
3.3. Reinsurance ceded .....	.0									
3.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:										
4.1. Direct .....	36,393,721	36,393,721	.0	.0	.0	.0	.0	.0	.0	.0
4.2. Reinsurance assumed .....	.87	.87	.0	.0	.0	.0	.0	.0	.0	.0
4.3. Reinsurance ceded .....	2,051,622	2,051,622	.0	.0	.0	.0	.0	.0	.0	.0
4.4. Net .....	34,342,186	34,342,186	0	0	0	0	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 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) .....	11,263,887	97,424,831	196,001	34,146,183	11,459,888	19,987,569
2. Medicare Supplement .....					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....					0	0
7. Title XIX - Medicaid.....					0	0
8. Other health .....					0	0
9. Health subtotal (Lines 1 to 8).....	11,263,887	97,424,831	196,001	34,146,183	11,459,888	19,987,569
10. Healthcare receivables (a).....		107,447		2,398,419	0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts .....		18,660		140,956	0	0
13. Totals (Lines 9-10+11+12)	11,263,887	97,336,044	196,001	31,888,720	11,459,888	19,987,569

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

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**  
**(000 Omitted)**

**Section A – Paid Health Claims - Hospital and Medical**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	.0	.0	.0	.0	
2. 2011 .....	.0	.0	.0	.0	
3. 2012 .....	XXX	.0	.0	.0	
4. 2013 .....	XXX	XXX	.0	.0	
5. 2014 .....	XXX	XXX	XXX	.84,426	.11,264
6. 2015 .....	XXX	XXX	XXX	XXX	97,267

**Section B – Incurred Health Claims - Hospital and Medical**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	.0	.0	.0	.0	
2. 2011 .....	.0	.0	.0	.0	
3. 2012 .....	XXX	.0	.0	.0	
4. 2013 .....	XXX	XXX	.0	.0	
5. 2014 .....	XXX	XXX	XXX	.103,086	.95,128
6. 2015 .....	XXX	XXX	XXX	XXX	131,554

**Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011.....	.0	.0		.0	.0	.0			.0	.0
2. 2012.....	.0	.0		.0	.0	.0			.0	.0
3. 2013.....	.0	.0		.0	.0	.0			.0	.0
4. 2014.....	122,753	.11,264	4,730	42.0	.15,994	13.0	.196	.1	.16,191	13.2
5. 2015.....	170,701	97,267	5,764	5.9	103,031	60.4	34,287	432	137,750	80.7

12-HM

Pt 2C - Sn A - Paid Claims - MS

**NONE**

Pt 2C - Sn A - Paid Claims - DO

**NONE**

Pt 2C - Sn A - Paid Claims - VO

**NONE**

Pt 2C - Sn A - Paid Claims - FE

**NONE**

Pt 2C - Sn A - Paid Claims - XV

**NONE**

Pt 2C - Sn A - Paid Claims - XI

**NONE**

Pt 2C - Sn A - Paid Claims - OT

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**  
 (000 Omitted)

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	.0	.0	.0	.0	.0
2. 2011 .....	.0	.0	.0	.0	.0
3. 2012 .....	XXX	.0	.0	.0	.0
4. 2013 .....	XXX	XXX	.0	.0	.0
5. 2014 .....	XXX	XXX	XXX	.84,426	.11,264
6. 2015 .....	XXX	XXX	XXX	XXX	97,267

**Section B - Incurred Health Claims - Grand Total**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	.0	.0	.0	.0	.0
2. 2011 .....	.0	.0	.0	.0	.0
3. 2012 .....	XXX	.0	.0	.0	.0
4. 2013 .....	XXX	XXX	.0	.0	.0
5. 2014 .....	XXX	XXX	XXX	103,086	.95,128
6. 2015 .....	XXX	XXX	XXX	XXX	131,554

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011 .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2012 .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2013 .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2014 .....	122,753	.11,264	4,730	42.0	.15,994	13.0	.196	.1	.16,191	13.2
5. 2015 .....	170,701	97,267	5,764	5.9	103,031	60.4	34,287	432	137,750	80.7

12-GT

Pt 2C - Sn B - Incurred Claims - MS

**NONE**

Pt 2C - Sn B - Incurred Claims - DO

**NONE**

Pt 2C - Sn B - Incurred Claims - VO

**NONE**

Pt 2C - Sn B - Incurred Claims - FE

**NONE**

Pt 2C - Sn B - Incurred Claims - XV

**NONE**

Pt 2C - Sn B - Incurred Claims - XI

**NONE**

Pt 2C - Sn B - Incurred Claims - OT

**NONE**

Part 2C - Sn C - Claims Expense Ratio MS

**NONE**

Part 2C - Sn C - Claims Expense Ratio DO

**NONE**

Part 2C - Sn C - Claims Expense Ratio VO

**NONE**

Part 2C - Sn C - Claims Expense Ratio FE

**NONE**

Part 2C - Sn C - Claims Expense Ratio XV

**NONE**

Part 2C - Sn C - Claims Expense Ratio XI

**NONE**

Part 2C - Sn C - Claims Expense Ratio OT

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.0								
2. Additional policy reserves (a).....	714,379	714,379							
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... for investment income).....	8,819,769	8,819,769							
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross) .....	9,534,148	9,534,148	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0		.0						
8. Totals (Net) (Page 3, Line 4)	9,534,148	9,534,148	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ .....714,379 premium deficiency reserve.

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ .....for occupancy of own building) .....			489,720		489,720
2. Salaries, wages and other benefits .....			10,371,288		10,371,288
3. Commissions (less \$ .....ceded plus \$ .....assumed) .....			(155,546)		(155,546)
4. Legal fees and expenses .....			337,703		337,703
5. Certifications and accreditation fees .....			20,684		20,684
6. Auditing, actuarial and other consulting services .....			2,407,807		2,407,807
7. Traveling expenses .....			295,759		295,759
8. Marketing and advertising .....			474,286		474,286
9. Postage, express and telephone .....			304,190		304,190
10. Printing and office supplies .....			288,347		288,347
11. Occupancy, depreciation and amortization .....			715,478		715,478
12. Equipment .....			50,095		50,095
13. Cost or depreciation of EDP equipment and software .....			1,383,958		1,383,958
14. Outsourced services including EDP, claims, and other services .....	663,919	5,889,494	2,140,331		8,693,744
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....			58,005		58,005
17. Collection and bank service charges .....			88,093		88,093
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....					0
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....			73,952		73,952
22. Real estate taxes .....			33,848		33,848
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			158,778		158,778
23.2 State premium taxes .....			4,022,479		4,022,479
23.3 Regulatory authority licenses and fees .....			149,435		149,435
23.4 Payroll taxes .....			461,633		461,633
23.5 Other (excluding federal income and real estate taxes) .....			4,601,145		4,601,145
24. Investment expenses not included elsewhere .....				54,936	54,936
25. Aggregate write-ins for expenses .....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25) .....	663,919	5,889,494	28,771,468	54,936	35,379,817
27. Less expenses unpaid December 31, current year .....		433,287	3,517,431		3,950,718
28. Add expenses unpaid December 31, prior year .....	0	370,685	4,069,746	0	4,440,431
29. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year .....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	663,919	5,826,892	29,323,783	54,936	35,869,530
<b>DETAILS OF WRITE-INS</b>					
2501. ....					
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0	0

(a) Includes management fees of \$ .....22,938,248 to affiliates and \$ .....to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a).....137,004	.....148,203
1.1 Bonds exempt from U.S. tax	(a).....	.....
1.2 Other bonds (unaffiliated)	(a).....829,652	.....982,212
1.3 Bonds of affiliates	(a).....0	.....
2.1 Preferred stocks (unaffiliated)	(b).....0	.....
2.11 Preferred stocks of affiliates	(b).....0	.....
2.2 Common stocks (unaffiliated)	.....0	.....
2.21 Common stocks of affiliates	.....0	.....
3. Mortgage loans	(c).....	.....
4. Real estate	(d).....	.....
5. Contract loans	.....	.....
6. Cash, cash equivalents and short-term investments	(e).....41,240	.....40,501
7. Derivative instruments	(f).....	.....
8. Other invested assets	.....	.....
9. Aggregate write-ins for investment income	.....0	.....0
10. Total gross investment income	1,007,896	1,170,916
11. Investment expenses		(g).....54,936
12. Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13. Interest expense		(h).....
14. Depreciation on real estate and other invested assets		(i).....
15. Aggregate write-ins for deductions from investment income		.....0
16. Total deductions (Lines 11 through 15)		.....54,936
17. Net investment income (Line 10 minus Line 16)		1,115,980
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	.....0	.....0
0999. Totals (Lines 0901 through 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 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$ 34,108 accrual of discount less \$ 485,546 amortization of premium and less \$ 106,909 paid for accrued interest on purchases.  
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ 0 paid for accrued dividends on purchases.  
 (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.  
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.  
 (e) Includes \$ 10 accrual of discount less \$ 40 amortization of premium and less \$ 37 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 \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds			.....0		
1.1 Bonds exempt from U.S. tax			.....0		
1.2 Other bonds (unaffiliated)	.....15,951		.....15,951		
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	.....1,303,019	.....0
3. Mortgage loans	.....0	.....0	.....0	.....0	.....0
4. Real estate	.....0	.....0	.....0	.....0	.....0
5. Contract loans	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments	.....38		.....38	.....0	.....0
7. Derivative instruments	.....0		.....0	.....0	.....0
8. Other invested assets	.....0	.....0	.....0	.....33,473	.....0
9. Aggregate write-ins for capital gains (losses)	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses)	15,989	0	15,989	1,336,492	0
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	495,000	605,000	110,000
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	3,032,853	0	(3,032,853)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	3,527,853	605,000	(2,922,853)
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset.....	290,756	0	(290,756)
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets .....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable.....	1,756,602	235,617	(1,520,985)
25. Aggregate write-ins for other-than-invested assets .....	157,664	63,124	(94,540)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	5,732,875	903,741	(4,829,134)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	5,732,875	903,741	(4,829,134)
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Assets.....	157,664	63,124	(94,540)
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	157,664	63,124	(94,540)

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	.0					
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	41,556	46,169	48,289	56,127	55,169	617,892
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	41,556	46,169	48,289	56,127	55,169	617,892
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies and Going Concern

- A. The financial statements of Celtic Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of the State of Illinois.

The State of Illinois requires that insurance companies domiciled in the state of Illinois prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the State of Illinois Insurance Commissioner. The Illinois Department of Insurance has adopted the NAIC practices and procedures manual with no significant prescribed differences affecting the company.

<u>Net Income</u>	<u>State of Domicile</u>	2015	2014
(1) Illinois State Health Plan state basis (Page 4, Line 32, Columns 2 & 4)	Illinois	\$ 8,309,068	\$ 4,309,807
(2) State Prescribed Practices that increase/(decrease) NAIC SAP: e.g., Depreciation of fixed assets	Illinois		
(3) State Permitted Practices that increase/(decrease) NAIC SAP: e.g., Depreciation of fixed assets, home office property	Illinois		
(4) NAIC SAP (1-2-3=4)	Illinois	<u>\$ 8,309,068</u>	<u>\$ 4,309,807</u>
<u>Surplus</u>			
(5) Illinois State Health Plan state basis (Page 3, Line 33, Columns 3 & 4)	Illinois	\$ 37,719,057	\$ 29,360,659
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: e.g., Goodwill, net e.g., Fixed Assets, net	Illinois		
(7) State Permitted Practices that increase/(decrease) NAIC SAP: e.g., Home Office Property	Illinois		
(8) NAIC SAP (5-6-7=8)	Illinois	<u>\$ 37,719,057</u>	<u>\$ 29,360,659</u>

- B. Use of estimates in the preparation of the financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles 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 period. Actual results could differ from those estimates.

- C. Accounting Policy

#### *Cash, Cash Equivalents, and Short-Term Investments*

Cash and short-term investments are carried at cost, which approximates fair value. Short-term investments include securities purchased within twelve months or less of maturity date.

#### *Bonds*

Bonds are carried at amortized cost with the accretion of discounts and amortization of premiums being computed under the scientific method.

#### *Common Stock*

The Company has minor interests in subsidiary insurance companies that do not exceed 10% of admitted assets. The Company carries these interests based on the underlying audited STAT equity of the investee.

#### *Preferred Stock*

The Company holds no preferred stocks.

#### *Mortgage Loans*

The Company holds no mortgage loans.

#### *Loan-backed securities*

Loan-backed securities are carried at amortized cost. Adjustments are applied prospectively.

#### *Investments in subsidiaries, controlled and affiliated entities*

The Company has no investments in non-insurance company subsidiaries, controlled and affiliated companies.

#### *Investments in joint ventures, partnerships, and limited liability companies*

## NOTES TO FINANCIAL STATEMENTS

The Company has minor interests in joint venture that do not exceed 10% of admitted assets. The Company carries these interests based on the underlying audited GAAP equity of the investee.

### *Derivatives*

The Company holds no derivatives.

### *Premium Deficiency Reserve*

The Company reviews expectations regarding the profitability of contracts in force to determine whether a premium deficiency reserve is required. The Company considers anticipated investment income when calculating its premium deficiency reserves.

The adequacy of reserve requirements is continually reviewed by management, with any reductions in the reserve being recorded as a beneficial effect in the Statement of Revenue and Expenses.

### *Unpaid losses and loss adjustment expenses*

Unpaid losses and loss adjustment expenses include amounts determined from claims estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount to be adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.

### *Changes to the capitalization policy*

There were no changes to the capitalization policy.

### *Pharmaceutical Rebates*

Pharmaceutical rebates are based on actual pharmaceutical claims experience.

### *Premium Revenue*

Premiums are generally received in the month for which coverage applies, and income from such premiums is recorded as earned during the period in which the Company is obligated to provide services to members. Premiums collected in advance of the month for which coverage applies are deferred and recorded as unearned premium revenue.

### *Investment Income Due and Accrued*

The Company recognizes investment income when earned. The Company records receivables for investment income earned as of the reporting date but not paid to the Company until subsequent to the reporting date. The Company performs an evaluation of the receivables to determine whether impairment exists.

#### **D. Going Concern**

The Company's management has not identified any conditions or events that raise substantial doubt about its ability to continue as a going concern.

#### **2. Accounting Changes and Corrections of Errors**

The company had no material changes in accounting principles or corrections of errors.

#### **3. Business Combinations and Goodwill**

A. Statutory Purchase Method - None

B. Statutory Merger - None

C. Assumption Reinsurance

The Company had no goodwill associated with assumption reinsurance transactions.

D. Impairment Loss - None

#### **4. Discontinued Operations**

None

#### **5. Investments**

A. Mortgage Loans, including Mezzanine Real Estate Loans

None

## NOTES TO FINANCIAL STATEMENTS

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

1. The source used to determine prepayment assumptions for all loan-backed securities for the Company was Bloomberg's cash flows.
2. There are no securities within the scope of this statement with a recognized other-than-temporary impairment.
3. No Change
4. All impaired securities (fair value is less than cost or amortized) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest impairment remains):
  - a. The aggregate amount of unrealized losses:
    - i. Less than 12 months (\$16,023)
    - ii. 12 months or longer (\$660)
  - b. The aggregate related fair value of securities with unrealized losses:
    - i. Less than 12 months \$3,021,869
    - ii. 12 months or longer \$279,342
5. For each security in an unrealized loss position, the Company assesses whether it intends to sell the security or if it is more likely than not the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual or regulatory purposes. If the security meets this criterion, the decline in fair value is other-than-temporary and is recorded in earnings.

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

	1	2	3	4	5	6
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown						
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale						
i. On deposit with states	2,479,132	2,479,077	55	2,479,132	1.7%	1.8%
j. On deposit with other regulatory bodies						
k. Pledged as collateral not captured in other categories						
l. Other restricted assets						
m. Total Restricted Assets	2,479,132	2,479,077	55	2,479,132	1.7%	1.8%

I. Working Capital Finance Investments

None

J. Offsetting and Netting of Assets and Liabilities

None

K. Structured Notes

NOTES TO FINANCIAL STATEMENTS

None

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investment in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

- A. Investment income due and accrued with amounts greater than 90 days past due are excluded from surplus.
- B. The total amount excluded was \$0.

8. Derivative Instruments

None

9. Income Taxes

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

The net deferred tax asset at December 31, 2015 and the change from the prior year are comprised of the following components:

(1) DTA/DTL Components	2015			2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	4,139,295	49,342	4,188,637	821,339	117,870	939,209	3,317,956	(68,528)	3,249,428
(b) Statutory valuation allowance adjustment	0	0	0	(311,130)	(30,840)	(341,970)	311,130	30,840	341,970
(c) Adjusted gross deferred tax assets	4,139,295	49,342	4,188,637	510,209	87,030	597,239	3,629,085	(37,688)	3,591,398
(d) Deferred tax assets nonadmitted	(290,756)	0	(290,756)	0	0	0	(290,756)	0	(290,756)
(e) Net admitted deferred tax assets	3,848,539	49,342	3,897,881	510,209	87,030	597,239	3,338,329	(37,688)	3,300,642
(f) Deferred tax liabilities	(2,091)	(98,746)	(100,837)	(14,112)	(87,030)	(101,142)	12,020	(11,716)	304
(g) Net admitted deferred tax asset/(Net deferred tax liability)	3,846,448	(49,404)	3,797,044	496,097	0	496,097	3,350,350	(49,404)	3,300,946

(2) Admission calculation components:

The amounts of admitted adjusted gross deferred tax assets admitted under each component of SSAP 101 are as follows:

Description	2015			2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
<b>Admission calculation under ¶11.a.-¶11.c.</b>									
(a) FII recoverable by loss carryback [¶11.a.]	3,797,045	0	3,797,045	496,097	0	496,097	3,300,948	0	3,300,948
(b) Expected to be realized [¶11.b.] (lesser of i. or ii.)	0	0	0	0	0	0	0	0	0
1. Expected to be realized [¶11.b.i.]	0	0	0	0	0	0	0	0	0
2. Surplus limitation [¶11.b.ii.]	5,088,319	0	5,088,319	4,304,034	0	4,304,034	0	0	0
(c) DTL offset [¶11.c.]	51,494	49,342	100,836	14,112	87,030	101,142	37,362	(37,688)	(305)
(d) Total admitted under ¶11.a.-11.c.	3,848,539	49,342	3,897,881	510,209	87,030	597,239	3,338,330	(37,688)	3,300,643
Deferred tax liabilities	(2,091)	(98,746)	(100,837)	(14,112)	(87,030)	(101,142)	12,020	(11,716)	304
<b>Net admitted deferred tax asset/liability under ¶11.a.-¶11.c.</b>	<b>3,846,448</b>	<b>(49,404)</b>	<b>3,797,044</b>	<b>496,097</b>	<b>0</b>	<b>496,097</b>	<b>3,350,351</b>	<b>(49,404)</b>	<b>3,300,947</b>

(3) Information used in expected to be realized calculation [¶11.b.]

The information used in the expected to be realized calculation consists of the following:

	2015	2014
(a) Authorized control level risk-based capital ratio without net deferred tax assets	1069%	528%
(b) Adjusted capital and surplus	33,921,866	29,780,659

(4) Tax planning strategies have not been used to admit deferred tax assets.

B. Temporary differences for which DTLs have not been established: Not applicable

C. Current tax and change in deferred tax:

(1) Current income taxes incurred consist of the following major components:

Description	2015	2014
(a) Current federal income tax expense	8,331,309	1,127,102
(b) Foreign Taxes	0	0
(c) Subtotal	8,331,309	1,127,102
(f) Other, including prior year underaccrual (overaccrual)	(65,275)	647,936
(g) Federal and foreign income taxes incurred	8,266,034	1,775,038

Deferred income tax assets and liabilities consist of the following major components:

(2) DTAs Resulting From Book/Tax Differences In	December 31, 2015	December 31, 2014	Change
<b>(a) Ordinary</b>			
(1) Discounting of unpaid losses and LAE	123,658	132,720	(9,062)
(2) Unearned premiums	1,639,137	9,970	1,629,167
(8) Accrued expenditures	5,408	4,927	481
(9) Marketplace reinsurance fee	0	83,173	(83,173)
(10) Nonadmitted assets	1,904,741	316,309	1,588,432
Contingent benefit reserve	0	1	(1)
Premium deficiency reserve	250,033	274,239	(24,206)
(13) Other (separately disclose items >5%)	216,318	0	216,318
(99) Gross ordinary DTAs	4,139,295	821,339	3,317,956
(b) Statutory valuation adjustment adjustment - ordinary	0	(311,130)	311,130
(c) Nonadmitted ordinary DTAs (-)	(290,756)	0	(290,756)
(d) Admitted ordinary DTAs	3,848,539	510,209	3,338,330
<b>(e) Capital</b>			
(4) Other (separately disclose items >5%)	49,342	117,870	(68,528)
(99) Gross capital DTAs	49,342	117,870	(68,528)
(f) Statutory valuation adjustment adjustment - capital (-)	0	(30,840)	30,840
(h) Admitted capital DTAs	49,342	87,030	(37,688)
(i) Admitted DTAs	3,897,881	597,239	3,300,642
<b>(3) DTLs Resulting From Book/Tax Differences In</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>	<b>Change</b>
<b>(a) Ordinary</b>			
(1) Investments	(2,091)	(5,712)	3,621
(3) Prepaid expenses	0	(8,400)	8,400
(99) Ordinary DTLs	(2,091)	(14,112)	12,021
<b>(b) Capital</b>			
Unrealized capital gains	(98,746)	(87,030)	(11,716)
(99) Capital DTLs	(98,746)	(87,030)	(11,716)
(c) DTLs	(100,837)	(101,142)	305
(4) Net deferred tax assets/liabilities	3,797,044	496,097	3,300,947

## NOTES TO FINANCIAL STATEMENTS

The change in deferred income taxes reported in surplus before consideration of nonadmitted assets are comprised of the following components:

	December 31, 2015	December 31, 2014	Change
Total deferred tax assets	4,188,637	939,209	3,249,428
Total deferred tax liabilities	(100,837)	(101,142)	305
Net deferred tax assets/liabilities	4,087,800	838,067	3,249,733
Statutory valuation allowance adjustment (*see explanation below)	0	(341,970)	341,970
Net deferred tax assets/liabilities after SVA	4,087,800	496,097	3,591,703
Tax effect of unrealized gains/(losses)	98,747	87,030	11,717
Change in net deferred income tax [(charge)/benefit]	4,186,547	583,127	3,603,420

**\*Statutory valuation allowance**

The valuation allowance adjustment to gross deferred tax assets as of December 31, 2015 and 2014 was \$0 and \$341,970, respectively. The net change in the total valuation allowance for the years ended December 31, 2015 was a decrease of \$(341,970).

**D. Reconciliation of federal income tax rate to actual effective rate:**

The Company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

Description	2015	Effective Tax Rate	2014	Effective Tax Rate
Income Before Taxes	16,575,101		6,084,845	
Statutory tax rate	35%		35%	
Expected income tax benefit at 35% statutory tax rate	5,801,285	35.00%	2,129,696	35.00%
Tax-Exempt Interest	(66,500)	-0.40%	(63,472)	-1.04%
Meals & Entertainment, Etc.	217	0.00%	2,081	0.03%
ACA fee	895,283	5.40%	698,815	11.48%
Statutory Valuation Allowance Adjustment	(341,970)	-2.06%	(1,758,643)	-28.90%
Interest maintenance reserve	(46,512)	-0.28%	(20,455)	-0.34%
Deferred Taxes on Nonadmitted Assets	(1,588,432)	-9.58%	161,220	2.65%
Other, Including Prior Year True-Up	9,243	0.06%	10,209	0.17%
Total	4,662,614	28.13%	1,159,451	19.05%
Federal income taxed incurred [expense/(benefit)]	8,266,034	49.87%	1,775,038	29.17%
Tax on capital gains/(losses)	0	0.00%	0	0.00%
Change in net deferred income tax [charge/(benefit)]	(3,603,420)	-21.74%	(615,587)	-10.12%
Total statutory income taxes	4,662,614	28.13%	1,159,451	19.05%

**E. Carryforwards, recoverable taxes, and IRC §6603 deposits:**

0

As of December 31, 2015, the Company had no net operating loss or tax credit carryforwards available to tax purposes.

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

The following is income tax expense for 2014 and 2015 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2015	8,331,309	0	8,331,309
Total	8,331,309	0	8,331,309

Deposits admitted under IRC § 6603  
**None**

The Company and Centene Corporation are members of an affiliated group that files a consolidated federal income tax return. Consolidated federal income tax liability is allocated among the members of the group under the provisions of a tax sharing agreement. The members of the tax sharing agreement group are:

Ambetter of Magnolia, Inc.  
Ambetter of Peach State, Inc.

The method of allocation among companies is subject to a written agreement whereby allocation is made primarily on a separate company basis using the percentage method pursuant to provisions of IRC Sections 1502 and 1552 and Treasury Regulations 1.1502 and 1.1552. This percentage method allocates a tax asset (i.e. intercompany receivable) for any benefit derived by the consolidated group for the member's losses or credits that offset consolidated taxable income. In accordance with the tax sharing agreement, each member shall pay to Parent or receive from the Parent the amount of tax liability or benefit reported on each member's proforma federal income tax return within 90 days of the date Parent files its consolidated federal income tax return.

### 10. Information Concerning Parent, Subsidiaries and Affiliates

A, B, C, F, G. The Company is 75% owned subsidiary of Centene Corporation and 25% owned by CD Paradise Management, LLP.

During 2015 and 2014, Centene Management Company, LLC, a wholly owned subsidiary of Centene Corporation, provided data, claims processing, case management, care coordination and general management services to the Company. Medical and administrative expenses included \$24,669,255 and \$17,933,302 for such services during the periods ended December 31, 2015 and December 31, 2014.

Nurse Response, a wholly owned subsidiary of Nursewise, LP which is in turn a wholly owned subsidiary of Centene Corporation, provides nurse-line triage services to the Company. Medical expenses included \$290,623 and \$181,168 for such services for the periods ended December 31, 2015 and December 31, 2014.

US Script, Inc., a wholly owned subsidiary of Centene Corporation, provides pharmacy benefits management services to the Company. Medical and administrative expenses included \$38,367,817 and \$20,495,808 for such services for the periods ended December 31, 2015 and December 31, 2014.

OptiCare Managed Vision, Inc., a wholly owned subsidiary of Centene Corporation, provides managed vision services to the Company. Medical expenses included \$2,092,863 and \$2,466,693 for such services for the periods ended December 31, 2015 and December 31, 2014.

Nurtur Health, Inc., a wholly owned subsidiary of Centene Corporation, provides health management services to the Company. Medical expenses included \$1,394,992 and \$847,658 for such services for the periods ended December 31, 2015 and December 31, 2014.

Cenpatico Behavioral Health, LLC, a wholly owned subsidiary of CenCorp Health Solutions, Inc. which is a wholly owned subsidiary of Centene Corporation, provides managed behavioral health services to the Company. Medical expenses included \$6,197,943 and \$4,952,147 for such services for the period ended December 31, 2015 and December 31, 2014.

Novasys Health Inc., a wholly owned subsidiary of Celtic Group, Inc. which is a wholly owned subsidiary of Centene Corporation, provides third party administrative services and network access to the Company. Expenses included \$565,866 and \$634,461 for such services for the periods ended December 31, 2015 and December 31, 2014.

## NOTES TO FINANCIAL STATEMENTS

AECC Total Vision Health Plan of Texas Inc., a wholly owned subsidiary of Opticare Managed Vision, Inc. which is a wholly owned subsidiary of CenCorp Health Solutions, Inc. which is a wholly owned subsidiary of Centene Corporation, provided vision care services to the Company. Expenses included \$47,239 for such services for the period ended December 31, 2014.

Superior Health Plan, Inc., a wholly owned subsidiary of Centene Corporation, provided managed care services to the Company. Expenses included \$16,258 for such services for the period ended December 31, 2014.

California Health and Wellness, Inc., a wholly owned subsidiary of Centene Corporation, obtains network access services from the Company. Revenues included \$1,069,295 and \$803,516 for such services for the periods ended December 31, 2015 and December 31, 2014.

D. Included in the Company's balance sheet as of December 31, 2015 are receivables and/or payables due from/due to parent, subsidiaries and affiliates of

Affiliated Entity	2015 Receivable	2015 Payable
Centene Management Company	27,887,061	-
Celtic Group	221,369	-
US Script	5,319	-
NovaSys	-	982,205
Coordinated Care Corporation	-	1,864,996
California Health and Wellness	92,955	-
Ambetter of Peach State	64,577	-

E. Not Applicable

H. Not Applicable.

I. The Company owns a 100% interest in Ambetter of Magnolia Inc. and Ambetter of Peach State Inc. which are both insurance subsidiaries valued at audited statutory equity, neither of which exceed 10% of the admitted assets of the Company.

J. Not applicable.

K. Not applicable.

L. Not applicable.

### 11. Debt

None

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plans - None
- B. Description of investment policies and strategies – Not applicable
- C. Narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption – Not applicable
- D. Fair value of each class of plan assets – No plan assets held
- E. Defined Contribution Plans - None
- F. Multiemployer Plans - None
- G. Consolidated/Holding Company Plans - None
- H. Post-Employment Benefits and Compensated Absences - None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - None

### 13. Capital and Surplus, Shareholder Dividend Restrictions and Quasi-Reorganizations

- A. The Company has 250,000 \$10 par value common shares authorized, issued and outstanding as of December 31, 2015.
- B. The Company has no preferred stock outstanding.
- C. Dividends are paid as determined by the Board of Directors with the approval of the Illinois Division of Insurance, as long as the Company meets or exceeds minimum surplus requirements.
- D. None

## NOTES TO FINANCIAL STATEMENTS

- E. Within the limitations of (c) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- F. There were no restrictions placed on the Company's surplus.
- G. Not applicable
- H. None
- I. The increase in the special surplus fund from the prior year is due to the projected annual fee under section 9010 of the Affordable Care Act to be paid on September 30, 2016 based on business written in 2015.
- J. The impact to unassigned funds (surplus) by cumulative unrealized gains was \$855,043.
- K. The Company did not issue any surplus debentures or similar obligations.
- L. There have been no quasi-reorganizations.
- M. There have been no quasi-reorganizations.

### 14. Contingencies

- A. Contingent Commitments – The Company has outstanding commitments of approximately \$60,000 for additional investments in joint ventures and limited partnerships.
- B. Assessments – None.
- C. Gain Contingencies – None.
- D. Claims related to extra contractual obligation and bad faith losses stemming from lawsuits- None.
- E. Joint and Several Liabilities – None.
- F. All Other Contingencies – Various lawsuits against the Company have arisen in the course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

The Company has recognized an impairment charge of \$280,944 related to the member premium receivable outstanding as of December 31, 2015. The \$74,534 member receivable recognized as of 12/31/15 has a reasonable possibility that it will be uncollectible.

### 15. Leases

None

### 16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

None

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None

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

None

### 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

### 20. Fair Value Measurement

- A. Assets Measured at Fair Value on a Recurring Basis

Assets and liabilities recorded at fair value in the statutory statement of admitted assets, liabilities and capital and surplus are categorized based upon the extent to which the fair value estimates are based upon observable or unobservable inputs.

## NOTES TO FINANCIAL STATEMENTS

Level inputs are as follows:

Level input	Input definition
Level I	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at December 31, 2015 for assets and liabilities measured at fair value on a recurring basis.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
<b>a. Assets at fair value</b>				
Cash and Cash Equivalents	\$ 24,795,578	\$ -	\$ -	\$ 24,795,578
Perpetual Preferred stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -
Bonds				
U.S. Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ -	\$ -	\$ -
Common Stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Derivative assets				
Interest rate contracts	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -
Separate account assets	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ 24,795,578	\$ -	\$ -	\$ 24,795,578
<b>b. Liabilities at fair value</b>				
Derivative liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

The following table summarizes fair value measurements by level at December 31, 2014 for assets and liabilities measured at fair value on a recurring basis.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
<b>a. Assets at fair value</b>				
Cash and Cash Equivalents	\$ 84,933,755	\$ -	\$ -	\$ 84,933,755
Perpetual Preferred stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -
Bonds				
U.S. Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ -	\$ -	\$ -
Common Stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Derivative assets				
Interest rate contracts	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -
Separate account assets	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ 84,933,755	\$ -	\$ -	\$ 84,933,755
<b>b. Liabilities at fair value</b>				
Derivative liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

## B. Fair Value Disclosures Under Other Pronouncements

None

## C. Aggregate Fair Value for All Financial Statements

The following table summarizes fair value measurements by level at December 31, 2015 for all financial instruments:

## NOTES TO FINANCIAL STATEMENTS

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Not Practicable (Carrying Value)
Cash and short-term investments	\$ 24,795,578	24,795,578	24,795,578	—	—	—
Bonds	\$ 63,523,410	62,900,384	12,249,524	50,228,886	1,045,000	—
Other Invested Assets	\$ 1,332,726	1,332,726	—	—	1,332,726	—

The following table summarizes fair value measurements by level at December 31, 2014 for all financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Not Practicable (Carrying Value)
Cash and short-term investments	\$ 58,342,809	58,342,809	—	58,342,809	—	—
Bonds	\$ 41,882,476	40,442,225	9,382,237	30,459,988	600,000	—
Other Invested Assets	\$ 1,051,753	1,051,753	—	—	1,051,753	—

## D. Aggregate Fair Value for All Financial Statements

No Change

## 21. Other Items

## A. Extraordinary Items

On July 1, 2015, the Company completed an assumption reinsurance agreement with Coordinated Care Corporation, Inc. The Company assumed the in-force insurance contracts issued to individuals through the Indiana Health Insurance Marketplace during the 2015 calendar year through June 30, 2015. The Company received \$15.4 million in cash and cash equivalents and \$1.7M of other assets with an aggregate value equal to the sum of one hundred percent of the estimated assumed policy liabilities, including, but not limited to, liabilities for benefits, surrenders, returns and premium refunds.

An initial payment in the amount of \$12,978,812, which amount was calculated based on the financial statements as of May 31, 2015, was paid by the ceding insurer to the Company on July 1, 2015; a subsequent payment in the amount of \$2,388,604, which amount was calculated based on the financial statements as of June 30, 2015, was paid by the ceding insurer to the Company on July 16, 2015.

The final settlement under the assumption reinsurance agreement will occur in January 2017 in order to true-up the original cash payments based on the run-out of claims for the period January 1, 2015 through June 30, 2015.

## B. Troubled Debt Restructuring: Debtors

None

## C. Other Disclosures

The Company has changed from reporting as a Life, Accident, & Health company in a blue book filing to a Health Company reporting via an orange book filing in reporting year 2015. The decrease in IMR reserves has been run through aggregate write-ins for other income in the amount of \$132,892 and the \$420,000 decrease in AVR reserves has been run through capital and surplus as an aggregate write-in.

## D. Business Interruption Insurance Recoveries

None

## E. State Transferable Tax Credits

None

## F. Subprime Mortgage Related Risk Exposure

None

## G. Retained Assets

None

## 22. Events Subsequent

Subsequent events have been considered through 02/29/2016 for the statutory statement issued on 2/29/2016.

On January 1, 2016, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2016. 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 their portion of the annual health insurance industry fee to be payable on September 30, 2016 to be \$2.8 million. This assessment is expected to impact risk based capital by (89%). Reporting the ACA assessment as of December 31, 2015, would not have triggered an RBC action level.

**NOTES TO FINANCIAL STATEMENTS**

	<u>Current Year</u>	<u>Prior Year</u>
A. ACA fee assessment payable for the upcoming year	\$ 2,805,873	\$ 2,446,457
B. ACA fee assesment paid	\$ 2,557,952	\$ 1,996,615
C. Premium written subject to ACA 9010 assessment	\$ 160,022,725	\$ 129,441,655
D. Total Adjusted Capital before surplus adjustment	\$ 37,719,058	
E. Authorized Control Level before surplus adjustment	\$ 3,173,231	
F. Total Adjusted Capital after surplus adjustment	\$ 34,913,185	
G. Authorized Control Level after surplus adjustment	\$ 3,173,231	
H. Would reporting the ACA assement as of December 31, 2015 have triggered an RBC action level?		No

**23. Reinsurance**

A. Ceded Reinsurance Report

Section 1

1. No

2. No

Section 2

1. No

2. No

Section 3

1. \$0

2. No

B. Uncollectible Reinsurance

None

C. Commutation of Ceded Reinsurance

None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

- A. The Company estimates accrued retrospective premiums for its comprehensive individual health insurance business in accordance with the regulations put forth in Title 45 of the Code of Federal Regulations Part 153, Subpart F for the ACA Risk Corridors program and Title 45 of the Code of Federal Regulations Part 158 for the ACA MLR rebate Program.
- B. The company records accrued retrospective premiums through written premium.
- C. The amount of net premiums written by the company at December 31, 2015 which are subject to retrospective rating features was \$170.7 million, which represents 100% of the total net premiums written.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act –

NOTES TO FINANCIAL STATEMENTS

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Medical loss ratio rebates paid	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Medical loss ratio rebates unpaid	\$ 302,000	\$ -	\$ -	\$ -	\$ 302,000
(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	\$ -
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ 11,866,082	\$ -	\$ -	\$ -	\$ 11,866,082
(8) Medical loss ratio rebates paid	\$ 6,793,438	\$ -	\$ -	\$ -	\$ 6,793,438
(9) Medical loss ratio rebates unpaid	\$ 7,020,676	\$ -	\$ -	\$ -	\$ 7,020,676
(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	\$ 7,020,676

E. Risk-Sharing Provisions of the Affordable Care Act (ACA).

1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?	Yes
<b>2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year</b>	
<b>a) Permanent ACA Risk Adjustment Program</b>	
Assets	
1) Premium adjustments receivable due to ACA Risk Adjustment	\$ -
Liabilities	
2) Risk adjustment user fees payable for ACA Risk Adjustment	\$ 53,030.41
3) Premium adjustments payable due to ACA Risk Adjustment	\$ 11,702,151.59
Operations (Revenue & Expense)	
4) Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk adjustment	\$ (410,572.31)
5) Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 47,008.03
<b>b) Transitional ACA Reinsurance Program</b>	
Assets	
1) Amounts recoverable for claims paid due to ACA Reinsurance	\$ 8,423,755.58
2) Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ 1,870,087.37
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 premiums	\$ 608,632.55
5) Ceded reinsurance premiums payable due to ACA Reinsurance	\$ 1,825,897.66
6) Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ -
Operations (Revenue & Expense)	
7) Ceded reinsurance premiums due to ACA Reinsurance	\$ 1,606,136.02
8) Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ 12,005,710.29
9) ACA Reinsurance contributions - not reported as ceded premium	\$ 535,378.67
<b>c) Temporary ACA Risk Corridors Program</b>	
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	\$ 1,799,093.57
Operations (Revenue & Expense)	
3) Effect of ACA Risk Corridors on net premium income	\$ (17,649,906.93)
4) Effect of ACA Risk Corridors on change in reserves for rate credits	\$ -

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Differences				Adjustments		Unsettled Balances as of the Reporting Date		
	1	2	Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		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)	
			3	4	5	6	7	8	9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a) Permanent ACA Risk Adjustment Program											
1) Premium adjustments receivable	\$ -	\$ -	\$ 93,746.49	\$ -	\$ (93,746.49)	\$ -	\$ 93,746.49	\$ -	A	\$ -	\$ -
2) Premium adjustments (payable)	\$ -	\$ 13,951,642.60	\$ -	\$ 8,621,410.48	\$ -	\$ 5,330,232.12	\$ -	\$ (5,330,232.12)	B	\$ -	\$ -
3) Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$ 13,951,642.60	\$ 93,746.49	\$ 8,621,410.48	\$ (93,746.49)	\$ 5,330,232.12	\$ 93,746.49	\$ (5,330,232.12)		\$ -	\$ -
b) Transitional ACA Reinsurance Program											
1) Amounts recoverable for claims paid	\$ 4,308,181.72	\$ -	\$ 6,933,568.76	\$ -	\$ (2,624,387.04)	\$ -	\$ 2,624,387.04	\$ -	C	\$ -	\$ -
2) Amounts recoverable for claims unpaid (contra liability)	\$ -	\$ (467,976.97)	\$ -	\$ -	\$ -	\$ (467,976.97)	\$ -	\$ 467,976.97	D	\$ -	\$ -
3) Amounts receivable relating to uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	E	\$ -	\$ -
4) Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ -	\$ 238,158.80	\$ -	\$ 238,158.80	\$ -	\$ -	\$ -	\$ -	F	\$ -	\$ -
5) Ceded reinsurance premiums payable	\$ -	\$ 1,428,953.00	\$ -	\$ 1,428,953.00	\$ -	\$ -	\$ -	\$ -	G	\$ -	\$ -
6) Liability for amounts held under uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	H	\$ -	\$ -
7) Subtotal ACA Transitional Reinsurance Program	\$ 4,308,181.72	\$ 1,199,134.83	\$ 6,933,568.76	\$ 1,667,111.80	\$ (2,624,387.04)	\$ (467,976.97)	\$ 2,624,387.04	\$ 467,976.97		\$ -	\$ -
c) Temporary ACA Risk Corridors Program											
1) Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	I	\$ -	\$ -
2) Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ 15,850,813.36	\$ -	\$ (15,850,813.36)	\$ -	\$ 15,850,813.36	J	\$ -	\$ -
3) Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ 15,850,813.36	\$ -	\$ (15,850,813.36)	\$ -	\$ 15,850,813.36		\$ -	\$ -
d. Total for ACA Risk Sharing Provisions	\$ 4,308,181.72	\$ 15,150,777.42	\$ 7,027,315.25	\$ 26,139,335.64	\$ (2,718,133.53)	\$ (10,988,558.21)	\$ 2,718,133.53	\$ 10,988,558.21		\$ -	\$ -

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2014 were \$19.9 million. As of December 31, 2015, \$11.3 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0.2 million as a result of re-estimation of unpaid claims and claim adjustment expenses on the Company's accident and health line of insurance. Therefore, there has been a \$8.4 million favorable prior-year development since December 31, 2014 to December 31, 2015. This 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.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

The financial results of the Company's annuity line of business are 100% ceded under modified coinsurance to an unrelated company.

## NOTES TO FINANCIAL STATEMENTS

## 28. Health Care Receivables

## A. Pharmaceutical Rebate Receivables

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	\$ 810,902	\$ 810,902	\$ -	\$ -	\$ -
9/30/2015	\$ 648,303	\$ 648,303	\$ -	\$ -	\$ -
6/30/2015	\$ 524,155	\$ 524,155	\$ -	\$ 349	\$ 402
3/31/2015	\$ 429,483	\$ 429,483	\$ -	\$ 349	\$ 13,325
12/31/2014	\$ 197,560	\$ 197,560	\$ -	\$ 6,944	\$ 188,186
9/30/2014	\$ 533,337	\$ 533,337	\$ -	\$ 15,067	\$ 515,737
6/30/2014	\$ 508,785	\$ 508,785	\$ -	\$ 72,466	\$ 415,120
3/31/2014	\$ 535,437	\$ 535,437	\$ -	\$ 181,173	\$ 259,490
12/31/2013	\$ 181,173	\$ 181,173	\$ -	\$ -	\$ 153,485
9/30/2013	\$ 137,509	\$ 137,509	\$ -	\$ -	\$ 150,169
6/30/2013	\$ 157,060	\$ 157,060	\$ -	\$ -	\$ 153,603
3/31/2013	\$ 151,168	\$ 151,168	\$ -	\$ 79,421	\$ 72,323

## 29. Participating Policies

None

## 30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves - \$714,379
2. Date of the most recent evaluation of this liability – 12/31/2015
3. Was anticipated investment income utilized in the calculation - Yes

## 31. Anticipated Salvage and Subrogation

None

# 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 [  ] 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 [  ] No [  ] N/A [  ]
- 1.3 State Regulating? Illinois.....
- 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 [  ]
- 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. .....12/31/2014
- 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. .....12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....06/22/2011
- 3.4 By what department or departments? Illinois Department of Insurance.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [  ] No [  ] N/A [  ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [  ] 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 [  ]
- 4.12 renewals? Yes [  ] No [  ]
- 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 [  ]
- 4.22 renewals? Yes [  ] No [  ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [  ] No [  ]
- 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 [  ]
- 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 [  ]
- 7.2 If yes, .....25.0
- 7.21 State the percentage of foreign control .....25.0
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
U.S. Virgin Islands.....	Corporation.....
.....	.....
.....	.....
.....	.....
.....	.....

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG, 10 South Broadway, St. Louis, MO 63102.....
- 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?  
Jim O'Connor, F.S.A, M.A.A.A, Consulting Actuary, Milliman, 71 South Wacker Drive, 31st Floor, Chicago, IL 60606.....
- 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?  
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
c. Compliance with applicable governmental laws, rules and regulations;  
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s)
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to 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 \$..... 47,008
  - 22.22 Amount paid as expenses \$..... 122,431
  - 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 221,369

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 [ ] NA [ 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 [ ] NA [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [ 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 [ ] NA [ X ]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
  - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
  - 24.103 Total payable for securities lending reported on the liability page \$.....

## GENERAL INTERROGATORIES

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

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

25.21 Subject to repurchase agreements	\$ .....
25.22 Subject to reverse repurchase agreements	\$ .....
25.23 Subject to dollar repurchase agreements	\$ .....
25.24 Subject to reverse dollar repurchase agreements	\$ .....
25.25 Placed under option agreements	\$ .....
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	\$ .....
25.27 FHLB Capital Stock	\$ .....
25.28 On deposit with states	\$ .....2,479,132
25.29 On deposit with other regulatory bodies	\$ .....
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$ .....
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$ .....
25.32 Other	\$ .....

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Brown Brothers Harriman Trust Company.....	125 South Wacker Drive, Suite 2150, Chicago IL 60606.....
The Commerce Trust Co.....	P.O. Box 419248, Kansas City, MO 64141-6428.....

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [ X ]

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

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

## GENERAL INTERROGATORIES

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/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
104487.....	Brown Brothers Harriman & Co.....	140 Broadway, New York, NY 10005.....
107740.....	Conseco Capital Management.....	11825 North Pennsylvania Street, Building K, Carmel, IN 46032.....

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 [  ]

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.....	74,424,777	74,552,963	128,186
30.2 Preferred Stocks.....	0		0
30.3 Totals	74,424,777	74,552,963	128,186

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

IDC pricing was used to determine fair value.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [  ] No [  ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [  ] 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 [  ] 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? \$ .....0
- 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
.....	\$.....
.....	\$.....
.....	\$.....

- 34.1 Amount of payments for legal expenses, if any? \$ .....24,044
- 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 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes  No
- 1.2 If yes, indicate premium earned on U. S. business only. \$ 10,031,869
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 6,699,254
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ 4,217
- 1.62 Total incurred claims \$ 1,135
- 1.63 Number of covered lives 1
- All years prior to most current three years:
- 1.64 Total premium earned \$ 10,027,652
- 1.65 Total incurred claims \$ 6,698,119
- 1.66 Number of covered lives 2,481
- 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		2
	Current Year		Prior Year
2.1 Premium Numerator	\$ 170,700,969	\$	130,855,642
2.2 Premium Denominator	\$ 170,700,969	\$	129,792,518
2.3 Premium Ratio (2.1/2.2)	1.000		1.008
2.4 Reserve Numerator	\$ 29,686,302	\$	20,983,272
2.5 Reserve Denominator	\$ 44,017,289	\$	21,073,107
2.6 Reserve Ratio (2.4/2.5)	0.674		0.996

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes  No
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes  No
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes  No
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes  No
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$ 197,500
- 5.32 Medical Only \$
- 5.33 Medicare Supplement \$
- 5.34 Dental and Vision \$
- 5.35 Other Limited Benefit Plan \$
- 5.36 Other \$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
 Agreements in provider contracts include hold harmless provisions.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes  No
- 7.2 If no, give details
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 840
- 8.2 Number of providers at end of reporting year 840
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes  No
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months
- 9.22 Business with rate guarantees over 36 months

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [ X ] No [ ]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$.....
- 10.22 Amount actually paid for year bonuses \$.....18,660
- 10.23 Maximum amount payable withholds \$.....0
- 10.24 Amount actually paid for year withholds \$.....0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [ ] No [ X ]
- 11.13 An Individual Practice Association (IPA), or, Yes [ ] No [ X ]
- 11.14 A Mixed Model (combination of above) ? Yes [ X ] No [ ]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [ X ] No [ ]
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Illinois.....
- 11.4 If yes, show the amount required. \$.....13,081,486
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [ X ]
- 11.6 If the amount is calculated, show the calculation  
200% RBC
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Alabama.....
Alaska.....
Arizona.....
Arkansas.....
California.....
Colorado.....
Connecticut.....
Delaware.....
District of Columbia.....
Florida.....
Georgia.....
Hawaii.....
Idaho.....
Illinois.....
Indiana.....
Iowa.....
Kansas.....
Kentucky.....
Louisiana.....
Maine.....
Maryland.....
Massachusetts.....
Michigan.....
Minnesota.....
Mississippi.....
Missouri.....
Montana.....
Nebraska.....
Nevada.....
New Hampshire.....
New Jersey.....
New Mexico.....
North Carolina.....
North Dakota.....
Ohio.....
Oklahoma.....
Oregon.....
Pennsylvania.....
Rhode Island.....
South Carolina.....
South Dakota.....
Tennessee.....
Texas.....
Utah.....
Vermont.....
Virginia.....
Washington.....
West Virginia.....
Wisconsin.....
Wyoming.....

- 13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [ X ]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....
- 13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [ X ]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers? Yes [ ] No [ ] N/A [ X ]
- 14.2 If the answer to 14.1 is yes, please provide the following:

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

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

15. Provide the following for Individual ordinary life insurance\* policies (U.S. business Only) for the current year:

15.1 Direct Premium Written (prior to reinsurance ceded)	\$ .....	102,013
15.2 Total incurred claims	\$ .....	270,000
15.3 Number of covered lives	.....	184

*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 Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE - YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	139,895,927	136,599,483	83,524,715	99,966,561	68,760,964
2. Total liabilities (Page 3, Line 24) .....	101,707,136	107,238,823	39,703,044	56,218,054	43,260,211
3. Statutory minimum capital and surplus requirement .....	13,081,486	0	0	0	0
4. Total capital and surplus (Page 3, Line 33) .....	38,188,792	29,360,659	43,821,671	43,748,507	25,500,753
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	170,700,969	129,792,518	125,088,430	154,684,885	98,150,342
6. Total medical and hospital expenses (Line 18) .....	120,697,083	96,883,123	106,572,606	152,145,138	81,348,941
7. Claims adjustment expenses (Line 20) .....	6,553,413	4,527,643	0	0	0
8. Total administrative expenses (Line 21) .....	28,771,468	23,854,908	0	0	0
9. Net underwriting gain (loss) (Line 24) .....	14,748,166	4,526,844	0	0	0
10. Net investment gain (loss) (Line 27) .....	1,126,373	1,014,703	1,371,906	1,427,052	1,262,157
11. Total other income (Lines 28 plus 29) .....	694,965	543,299	0	0	0
12. Net income or (loss) (Line 32) .....	8,309,068	4,309,808	0	0	0
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(46,424,626)	73,452,178	(7,872,936)	(14,479,382)	(1,914,641)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	38,188,792	29,360,659	44,172,728	44,069,376	25,726,697
15. Authorized control level risk-based capital .....	3,173,231	329,975	5,445,377	7,914,695	4,655,113
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	55,169	0	0	0	0
17. Total members months (Column 6, Line 7) .....	617,892	0	0	0	0
<b>Operating Percentage</b> (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	70.7	74.6	0.0	0.0	0.0
20. Cost containment expenses .....	0.4	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses .....	3.5	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23) .....	91.4	96.5	0.0	0.0	0.0
23. Total underwriting gain (loss) (Line 24) .....	8.6	3.5	0.0	0.0	0.0
<b>Unpaid Claims Analysis</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	11,459,888	0	0	0	0
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)] .....	19,987,569	0	0	0	0
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	7,353,019	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	0	0	0	0	0
32. Total of above Lines 26 to 31 .....	7,353,019	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above .....	0	0	0	0	0

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

If no, please explain .....

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	L	198,480				4,748	203,228	0
2. Alaska	AK	L	4,421					4,421	0
3. Arizona	AZ	L	49,851				1,034	50,885	0
4. Arkansas	AR	L	151,990,927				3,245	151,994,172	0
5. California	CA	L	83,738					83,738	0
6. Colorado	CO	L	16,445				252	16,697	0
7. Connecticut	CT	L	216,255				3,123	219,378	0
8. Delaware	DE	L	39,471				397	39,868	0
9. District of Columbia	DC	L	3,932					3,932	0
10. Florida	FL	L	5,167,536				5,939	5,173,475	0
11. Georgia	GA	L	490,730				3,417	494,147	0
12. Hawaii	HI	L						0	0
13. Idaho	ID	L						0	0
14. Illinois	IL	L	97,513				8,605	106,118	0
15. Indiana	IN	L	22,566,929				5,295	22,572,224	0
16. Iowa	IA	L	113,610				496	114,106	0
17. Kansas	KS	L	52,947					52,947	0
18. Kentucky	KY	L	28,597				305	28,902	0
19. Louisiana	LA	L	25,022					25,022	0
20. Maine	ME	L	12,673				754	13,427	0
21. Maryland	MD	L	77,386				217	77,603	0
22. Massachusetts	MA	L	42,159				6,547	48,706	0
23. Michigan	MI	L	43,370				461	43,831	0
24. Minnesota	MN	L	22,742					22,742	0
25. Mississippi	MS	L	98,274				686	98,960	0
26. Missouri	MO	L	68,942					68,942	0
27. Montana	MT	L	9,306					9,306	0
28. Nebraska	NE	L	183,612				180	183,792	0
29. Nevada	NV	L	50,318					50,318	0
30. New Hampshire	NH	L	97,579					97,579	0
31. New Jersey	NJ	L	1,090,385					1,090,385	0
32. New Mexico	NM	L	52,623				5,898	58,521	0
33. New York	NY	N	105,851				377	106,228	0
34. North Carolina	NC	L	134,443				3,822	138,265	0
35. North Dakota	ND	L	6,939					6,939	0
36. Ohio	OH	L	180,958				7,758	188,716	0
37. Oklahoma	OK	L	30,316				144	30,460	0
38. Oregon	OR	L	8,443					8,443	215
39. Pennsylvania	PA	L	152,974					152,974	0
40. Rhode Island	RI	L	8,940					8,940	0
41. South Carolina	SC	L	182,690				5,719	188,409	0
42. South Dakota	SD	L	60,908				308	61,216	0
43. Tennessee	TN	L	56,181				6,825	63,006	0
44. Texas	TX	L	344,942				13,092	358,034	0
45. Utah	UT	L	6,772					6,772	0
46. Vermont	VT	L	27,708					27,708	0
47. Virginia	VA	L	106,577				8,628	115,205	0
48. Washington	WA	L	2,904					2,904	0
49. West Virginia	WV	L	38,308					38,308	0
50. Wisconsin	WI	L	12,427				2,298	14,725	0
51. Wyoming	WY	L	14,680				1,442	16,122	0
52. American Samoa	AS	N						0	0
53. Guam	GU	N						0	0
54. Puerto Rico	PR	N						0	0
55. U.S. Virgin Islands	VI	N						0	0
56. Northern Mariana Islands	MP	N						0	0
57. Canada	CAN	N						0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal	XXX		184,478,734	0	0	0	102,012	184,580,746	215
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 50		184,478,734	0	0	0	102,012	184,580,746	215
<b>DETAILS OF WRITE-INS</b>									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX		0	0	0	0	0	0	0

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

Explanation of basis of allocation by states, premiums by state, etc. All premiums are allocated to the state in which premiums are written.

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY

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

**PART 1 - ORGANIZATIONAL CHART**

Centene Corporation	42-1406317	DE	
Bankers Reserve Life Insurance Company of Wisconsin	39-0993433	WI	71013
Health Plan Real Estate Holding, Inc	46-2860967	MO	
Peach State Health Plan, Inc	20-3174593	GA	12315
Health Plan Real Estate Holding, Inc	46-2860967	MO	
Iowa Total Care, Inc	46-4829006	IA	15713
Buckeye Community Health Plan, Inc	32-0045282	OH	11834
Health Plan Real Estate Holding, Inc	46-2860967	MO	
Absolute Total Care, Inc	20-5693998	SC	12959
Health Plan Real Estate Holding, Inc	46-2860967	MO	
Physicians Choice, LLC	59-3807546	SC	
PhyTrust of South Carolina LLC	65-1206841	FL	
Coordinated Care Corporation d/b/a Managed Health Services	39-1821211	IN	95831
Health Plan Real Estate Holding, Inc	46-2860967	MO	
Healthy Washington Holdings, Inc	46-5523218	DE	
Coordinated Care of Washington, Inc	46-2578279	WA	15352
Managed Health Services Insurance Corp	39-1678579	WI	96822
Health Plan Real Estate Holding, Inc	46-2860967	MO	
Hallmark Life Insurance Co	86-0819817	AZ	60078
Superior HealthPlan, Inc	74-2770542	TX	95647
Health Plan Real Estate Holding, Inc	46-2860967	MO	
Healthy Louisiana Holdings LLC	27-0916294	DE	
Louisiana Healthcare Connections, Inc	27-1287287	LA	13970
Magnolia Health Plan Inc	20-8570212	MS	13923
IlliniCare Health Plan, Inc	27-2186150	IL	14053
Health Plan Real Estate Holding, Inc	46-2860967	MO	
Sunshine Health Holding LLC	26-0557093	FL	
Sunshine State Health Plan, Inc	20-8937577	FL	13148
Access Health Solutions LLC	56-2384404	FL	
Sunshine Consulting Services, Inc.	27-0242132	DE	
Kentucky Spirit Health Plan, Inc	45-1294925	KY	14100
Healthy Missouri Holding, Inc	45-5070230	MO	
Home State Health Plan, Inc	45-2798041	MO	14218
Health Plan Real Estate Holding, Inc	46-2860967	MO	
Sunflower State Health Plan, Inc	45-3276702	KS	14345
Granite State Health Plan, Inc	45-4792498	NH	14226
Bridgeway Advantage Solutions, Inc	46-4195563	AZ	15447
California Health and Wellness Plan	46-0907261	CA	
Fidelis SecureCare of Michigan, Inc.	30-0312489	MI	10769
Agate Resources, Inc.	20-0483299	OR	
Lane Individual Practice Association, Inc.	93-1198219	OR	

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY

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

**PART 1 - ORGANIZATIONAL CHART**

Trillium Community Health Plan, Inc.	42-1694349	OR	12559
Trillium Community Health Plan, Inc.	42-1694349	OR	12559
Agate Properties, LLC	26-4475075	OR	
Independent Professional Services, LLC	93-1198376	OR	
Nebraska Total Care, Inc.	47-5123293	NE	
Pennsylvania Health & Wellness, Inc.	47-5340613	PA	
Centene Management Company LLC	39-1864073	WI	
CMC Real Estate Co. LLC	20-0057283	DE	
Centene Center LLC	26-4094682	DE	
Centene Center II, LLC	47-5156015	DE	
CMC Hanley, LLC	46-4234827	MO	
Forhan, LLC	47-2914561	MO	
Hanley-Forsyth, LLC	37-1766939	MO	
GPT Acquisition LLC	45-5431787	DE	
Clayton Property Investment LLC	45-4372065	DE	
LSM Holdco, Inc.	46-2794037	DE	
Lifeshare Management Group, LLC	46-2798132	NH	
Chopin Merger Sub I, Inc.		DE	
Chopin Merger Sub II, Inc.	47-5208076	DE	
CCTX Holdings, LLC	20-2074217	DE	
Centene Company of Texas, LP	74-2810404	TX	
Centene Holdings, LLC	20-2074277	DE	
Centene Company of Texas, LP	74-2810404	TX	
MHS Travel & Charter, Inc	43-1795436	WI	
LiveHealthier, Inc.	47-2516714	DE	
Envolve, Inc.	37-1788565	DE	
Centene Health Systems Group of New York	47-3454898	NY	
Health Care Enterprises, LLC	46-4855483	DE	
CenCorp Health Solutions, Inc	22-3889471	DE	
Cenphiny Mgmt, LLC	42-1565805	DE	
NurseWise Holdings LLC	42-1565807	DE	
NurseWise LP	52-2379566	DE	
Nurse Response, Inc	20-4730372	DE	
Bridgeway Health Solutions, LLC	20-4980875	DE	
Bridgeway Health Solutions of Arizona, Inc.	20-4980818	AZ	
Nurtur Health, Inc	06-1476380	DE	
Family Care & Workforce Diversity Consultants LLC d/b/a Worklife Innovations	06-1404277	CT	
Wellness By Choice, LLC	16-1686991	NY	
Cenpatico Behavioral Health, LLC	68-0461584	CA	
Cenpatico Behavioral Health of Texas, Inc	74-3018565	TX	12525
CBHSP Arizona, Inc	86-0782736	AZ	

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY

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

PART 1 - ORGANIZATIONAL CHART

Cenpatico of California, Inc	47-2595704	CA	
Integrated Mental Health Mgmt, LLC	74-2892993	TX	
Integrated Mental Health Services	74-2785494	TX	
Cenpatico Behavioral Health of Arizona, LLC	20-1624120	AZ	
Cenpatico of Arizona Inc.	80-0879942	AZ	14704
Cenpatico of Florida, Inc.	27-5349029	FL	
Envolve Benefit Options, Inc.	20-4730341	DE	
OptiCare Vision Insurance Co, Inc	36-4520004	SC	
AECC Total Vision Health Plan of Texas, Inc	75-2592153	TX	95302
OptiCare Vision Company, Inc	20-4773088	DE	
Ocucares Systems, Inc	65-0094759	FL	
Envolve Total Vision, Inc.	20-4861241	DE	
OptiCare IPA of New York, Inc.	06-1635519	NY	
Dental Health & Wellness, Inc	46-2783884	DE	
Cenpatico of Louisiana, Inc.	45-2303998	LA	15357
Celtic Group, Inc	36-2979209	DE	
Celtic Insurance Company	06-0641618	IL	80799
Ambetter of Magnolia Inc	35-2525384	MS	15762
Ambetter of Peach State Inc.	36-4802632	GA	15729
Novasys Health, Inc	27-2221367	DE	
CeltiCare Health Plan Holdings LLC	26-4278205	DE	
CeltiCare Health Plan of Massachusetts, Inc.	26-4818440	MA	13632
US Script, Inc	77-0578529	DE	
LBB Industries, Inc	76-0511700	TX	
RX Direct, Inc	75-2612875	TX	
US Script IPA, LLC	46-2307356	NY	
Casenet LLC	90-0636938	DE	
Casenet S.R.O.		CZE	
Centurion Group, Inc	61-1450727	DE	
Centurion LLC	90-0766502	DE	
Centurion of Virginia, LLC	47-1577742	VA	
Centurion of Vermont, LLC	47-1686283	VT	
Centurion of Pennsylvania, LLC	47-1229365	PA	
Centurion of Mississippi, LLC	47-2967381	MS	
Centurion of Tennessee, LLC	30-0752651	TN	
Massachusetts Partnership for Correctional Healthcare, LLC	61-1696004	MA	
Centurion of Idaho, LLC	46-3590120	ID	
Centurion of Michigan, LLC	46-1041008	MI	
Centurion of Minnesota, LLC	46-2717814	MN	
Centurion Correctional Healthcare of New Mexico, LLC		NM	
Centurion of Florida, LLC	81-0687470	FL	

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ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CELTIC INSURANCE COMPANY

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

**PART 1 - ORGANIZATIONAL CHART**

Specialty Therapeutic Care Holdings, LLC	27-3617766	DE
Specialty Therapeutic Care, LP	73-1698808	TX
Specialty Therapeutic Care, GP, LLC	73-1698807	TX
Specialty Therapeutic Care, LP	73-1698808	TX
Specialty Therapeutic Care West, LLC	26-2624521	TX
AcariaHealth Solutions, Inc.	80-0856383	DE
AcariaHealth, Inc.	45-2780334	DE
AcariaHealth Pharmacy #14, Inc	27-1599047	CA
AcariaHealth Pharmacy #11, Inc	20-8192615	TX
AcariaHealth Pharmacy #12, Inc	27-2765424	NY
AcariaHealth Pharmacy #13, Inc	26-0226900	CA
AcariaHealth Pharmacy, Inc	13-4262384	CA
HomeScripts.com, LLC	27-3707698	MI
New York Rx, Inc.	20-8235695	NY
U.S. Medical Management Holdings, Inc	27-0275614	DE
U.S. Medical Management, LLC	38-3153946	DE
U.S. Medical Management, LLC	38-3153946	DE
RMED, LLC	31-1733889	FL
IAH of Florida, LLC	47-2138680	FL
Heritage Home Hospice, LLC	51-0581762	MI
Grace Hospice of Austin, LLC	20-2827613	MI
ComfortBrook Hospice, LLC	20-1530070	OH
Comfort Hospice of Texas, LLC	20-4996551	MI
Grace Hospice of San Antonio, LLC	20-2827526	MI
Grace Hospice of Grand Rapids, LLC	45-0679248	MI
Grace Hospice of Indiana, LLC	45-0634905	MI
Grace Hospice of Virginia, LLC	45-5080637	MI
Comfort Hospice of Missouri, LLC	45-5080567	MI
Grace Hospice of Colorado, LLC	45-5080675	MI
Grace Hospice of Wisconsin, LLC	46-1708834	MI
Seniorcorps Pensinsula, LLC	26-4435532	VA
R&C Healthcare, LLC	33-1179031	TX
A N J, LLC	20-0927034	TX
Pinnacle Senior Care of Missouri, LLC	46-0861469	MI
Country Style Health Care, LLC	03-0556422	TX
Phoenix Home Health Care, LLC	14-1878333	DE
Traditional Home Health Services, LLC	75-2635025	TX
Family Nurse Care, LLC	38-2751108	MI
Family Nurse Care II, LLC	20-5108540	MI
Family Nurse Care of Ohio, LLC	20-3920947	MI
Pinnacle Senior Care of Wisconsin, LLC	46-4229858	WI
Pinnacle Home Care, LLC	76-0713516	TX
North Florida Health Services, Inc	59-3519060	FL

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

**PART 1 - ORGANIZATIONAL CHART**

Pinnacle Sr. Care of Kalamazoo, LLC	47-1742728	MI
Hospice DME Company, LLC	46-1734288	MI
Rapid Respiratory Services, LLC	20-4364776	DE
USMM Accountable Care Network, LLC	46-5730959	DE
USMM Accountable Care Partners, LLC	46-5735993	DE
USMM Accountable Care Solutions, LLC	46-5745748	DE
USMM ACO, LLC	45-4165480	MI
USMM ACO Florida, LLC	45-4157180	MI
USMM ACO North Texas, LLC	45-4154905	MI
MHS Consulting, International, Inc	20-8630006	DE
PRIMEROSALUD, S.L.		ESP
The Practice Plc		GBR

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