



**ANNUAL STATEMENT**  
**FOR THE YEAR ENDING DECEMBER 31, 2017**  
 OF THE CONDITION AND AFFAIRS OF THE

**Envision Insurance Company**

NAIC Group Code 00000 , 00000 NAIC Company Code 12747 Employer's ID Number 20-4308924  
(Current Period) (Prior Period)

Organized under the Laws of Ohio , State of Domicile or Port of Entry Ohio  
 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 02/08/2006 Commenced Business 01/01/2007

Statutory Home Office 2181 East Aurora Road , Twinsburg, OH, US 44087  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 2181 East Aurora Road  
(Street and Number)  
Twinsburg, OH, US 44087 330-405-8089  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 2181 East Aurora Road , Twinsburg, OH, US 44087  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2181 East Aurora Road  
(Street and Number)  
Twinsburg, OH, US 44087 330-405-8089  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.envisionrx.com

Statutory Statement Contact Scott David Gonia CPA , 330-486-4846  
(Name) (Area Code) (Telephone Number) (Extension)  
eicaccounting@envisionrx.com 330-486-4801  
(E-Mail Address) (Fax Number)

**OFFICERS**

Name	Title	Name	Title
<u>William Carl Epling</u>	<u>President</u>	<u>Scott David Gonia</u>	<u>Treasurer</u>
<u>Robert Burns Weinberg</u>	<u>Senior Vice President, General Counsel &amp; Secretary</u>	<u>Thomas John Welsh</u>	<u>Chief Financial Officer &amp; Executive Vice President</u>

**OTHER OFFICERS**

<u>Frank John Sheehy</u>	<u>Chief Executive Officer</u>	<u>Dawn Gail Sherman</u>	<u>Executive Vice President</u>
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**DIRECTORS OR TRUSTEES**

<u>William Carl Epling</u>	<u>Darren Wayne Karst</u>	<u>Matthew Charles Schroeder</u>
<u>Frank John Sheehy</u>	<u>Kenneth Charles Black</u>	<u>Thomas John Welsh</u>

State of Ohio  
 County of Summit

**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.

William Carl Epling  
 President

Scott David Gonia  
 Treasurer

Robert Burns Weinberg  
 Senior Vice President, General Counsel &  
 Secretary

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 \_\_\_\_\_

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Envision 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).....	7,266,768		7,266,768	6,741,377
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0		0	0
2.2 Common stocks .....	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	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 (\$ .....39,419,281 , Schedule E-Part 1), cash equivalents (\$ .....0 , Schedule E-Part 2) and short-term investments (\$ .....0 , Schedule DA).....	39,419,281		39,419,281	33,448,443
6. Contract loans (including \$ ..... premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA) .....	0		0	0
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) .....	46,686,049	0	46,686,049	40,189,820
13. Title plants less \$ ..... charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	34,443		34,443	37,842
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,988,882		1,988,882	1,634,627
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 (\$ .....104,670,761 ) and contracts subject to redetermination (\$ ..... ) .....	104,670,761		104,670,761	66,489,082
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	273,084,381		273,084,381	200,164,195
18.1 Current federal and foreign income tax recoverable and interest thereon .....	897,043		897,043	897,043
18.2 Net deferred tax asset.....	816,238	18,364	797,874	443,186
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....			0	0
24. Health care (\$ ..... ) and other amounts receivable.....	700,037		700,037	69,206
25. Aggregate write-ins for other-than-invested assets .....	392,525	392,525	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	429,270,359	410,889	428,859,470	309,925,001
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	429,270,359	410,889	428,859,470	309,925,001
<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 Expenses.....	392,525	392,525	0	0
2502. ....			0	0
2503. ....			0	0
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) .....	392,525	392,525	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....23,530,863 reinsurance ceded)	25,761,504		25,761,504	24,916,227
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	2,431,520		2,431,520	2,483,172
4. Aggregate health policy reserves, including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	756,139		756,139	1,500,094
9. General expenses due or accrued	532,245		532,245	145,240
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
11. Ceded reinsurance premiums payable	99,255,022		99,255,022	61,845,952
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	114,105,954		114,105,954	70,569,922
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 \$ .....131,238,335 authorized reinsurers, \$ .....3,737,845 unauthorized reinsurers and \$ .....0 certified reinsurers)	134,976,180		134,976,180	94,418,665
20. Reinsurance in unauthorized and certified (\$ .....0 ) 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	3,581,748		3,581,748	4,456,063
23. Aggregate write-ins for other liabilities (including \$ ..... current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	381,400,312	0	381,400,312	260,335,335
25. Aggregate write-ins for special surplus funds	XXX	XXX	6,063,997	0
26. Common capital stock	XXX	XXX	2,000,000	2,000,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	56,700,000	26,700,000
29. Surplus notes	XXX	XXX		30,000,000
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(17,304,839)	(9,110,334)
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	47,459,158	49,589,666
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	428,859,470	309,925,001
<b>DETAILS OF WRITE-INS</b>				
2301. ....			0	0
2302. ....			0	0
2303. ....			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. Reserve for ACA Section 9010 Fee	XXX	XXX	6,063,997	0
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	6,063,997	0
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

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	4,277,255	4,555,133
2. Net premium income (including \$ .....0 non-health premium income).....	XXX	170,332,618	235,910,944
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	170,332,618	235,910,944
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....			0
10. Other professional services .....			0
11. Outside referrals .....			0
12. Emergency room and out-of-area .....			0
13. Prescription drugs .....		310,280,533	444,219,449
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15) .....	0	310,280,533	444,219,449
<b>Less:</b>			
17. Net reinsurance recoveries .....		154,493,583	221,136,115
18. Total hospital and medical (Lines 16 minus 17) .....	0	155,786,950	223,083,334
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ .....0 cost containment expenses.....		6,179,335	4,887,739
21. General administrative expenses.....		8,844,377	9,818,327
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22) .....	0	170,810,662	237,789,400
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(478,044)	(1,878,456)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		109,891	80,166
26. Net realized capital gains (losses) less capital gains tax of \$ .....	0	981	0
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	110,872	80,166
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....22,221 ) (amount charged off \$ .....2,222,221 )].....		(2,200,000)	(1,434,319)
29. Aggregate write-ins for other income or expenses .....	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	(2,567,172)	(3,232,609)
31. Federal and foreign income taxes incurred .....	XXX		160,855
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(2,567,172)	(3,393,464)
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		0
0602. ....	XXX		0
0603. ....	XXX		0
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		0
0702. ....	XXX		0
0703. ....	XXX		0
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. ....			0
1402. ....			0
1403. ....			0
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. ....			0
2902. ....			0
2903. ....			0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	0	0

## 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 .....	49,589,665	51,122,034
34. Net income or (loss) from Line 32 .....	(2,567,172)	(3,393,464)
35. Change in valuation basis of aggregate policy and claim reserves .....	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	0	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....	0	0
38. Change in net deferred income tax .....	351,349	(1,258,352)
39. Change in nonadmitted assets .....	85,317	119,448
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	(30,000,000)	0
43. Cumulative effect of changes in accounting principles .....	0	0
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend) .....	0	0
44.3 Transferred to surplus .....	0	0
45. Surplus adjustments:		
45.1 Paid in .....	30,000,000	3,000,000
45.2 Transferred to capital (Stock Dividend) .....	0	0
45.3 Transferred from capital .....	0	0
46. Dividends to stockholders .....	0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	(2,130,506)	(1,532,368)
49. Capital and surplus end of reporting year (Line 33 plus 48)	47,459,159	49,589,665
<b>DETAILS OF WRITE-INS</b>		
4701. ....	0	0
4702. ....	0	0
4703. ....	0	0
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)	0	0

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	168,461,799	218,039,655
2. Net investment income .....	225,625	184,081
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	168,687,424	218,223,736
5. Benefit and loss related payments .....	154,941,673	222,450,539
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	90,682,860	(50,444,557)
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	0	0
10. Total (Lines 5 through 9) .....	245,624,533	172,005,982
11. Net cash from operations (Line 4 minus Line 10) .....	(76,937,109)	46,217,754
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	5,934,552	460,000
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	5,934,552	460,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	6,571,297	1,237,336
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	6,571,297	1,237,336
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) .....	(636,745)	(777,336)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	(30,000,000)	0
16.2 Capital and paid in surplus, less treasury stock .....	30,000,000	3,000,000
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	0
16.6 Other cash provided (applied) .....	83,544,702	(49,262,307)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	83,544,702	(46,262,307)
<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) .....	5,970,848	(821,889)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	33,448,434	34,270,324
19.2 End of year (Line 18 plus Line 19.1) .....	39,419,282	33,448,434

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Envision 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	170,332,618	0	0	0	0	0	0	0	170,332,618	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)	170,332,618	0	0	0	0	0	0	0	170,332,618	0
8. Hospital/medical benefits	0									XXX
9. Other professional services	0									XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	310,280,532								310,280,532	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	0									XXX
15. Subtotal (Lines 8 to 14)	310,280,532	0	0	0	0	0	0	0	310,280,532	XXX
16. Net reinsurance recoveries	154,493,583								154,493,583	XXX
17. Total hospital and medical (Lines 15 minus 16)	155,786,949	0	0	0	0	0	0	0	155,786,949	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses	6,179,335								6,179,335	
20. General administrative expenses	8,844,377								8,844,377	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	170,810,661	0	0	0	0	0	0	0	170,810,661	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(478,043)	0	0	0	0	0	0	0	(478,043)	0
<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 2017 OF THE Envision 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) .....				.0
2. Medicare Supplement .....				.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.....	340,891,858	.0	170,559,240	170,332,618
9. Health subtotal (Lines 1 through 8) .....	340,891,858	.0	170,559,240	170,332,618
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	340,891,858	0	170,559,240	170,332,618

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Envision 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 .....	290,410,749								290,410,749	
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	135,469,076								135,469,076	
1.4 Net .....	154,941,673	0	0	0	0	0	0	0	154,941,673	0
2. Paid medical incentive pools and bonuses .....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	49,292,367	0	0	0	0	0	0	0	49,292,367	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	23,530,863	0	0	0	0	0	0	0	23,530,863	0
3.4 Net .....	25,761,504	0	0	0	0	0	0	0	25,761,504	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....	0									
4.2 Reinsurance assumed .....	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 .....	0									
6. Net healthcare receivables (a).....	0									
7. Amounts recoverable from reinsurers December 31, current year .....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	29,422,583	0	0	0	0	0	0	0	29,422,583	0
8.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	4,506,356	0	0	0	0	0	0	0	4,506,356	0
8.4 Net .....	24,916,227	0	0	0	0	0	0	0	24,916,227	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									
11. Amounts recoverable from reinsurers December 31, prior year .....	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct .....	310,280,533	0	0	0	0	0	0	0	310,280,533	0
12.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	154,493,583	0	0	0	0	0	0	0	154,493,583	0
12.4 Net .....	155,786,950	0	0	0	0	0	0	0	155,786,950	0
13. Incurred medical incentive pools and bonuses .....	0	0	0	0	0	0	0	0	0	0

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

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Envision 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
<b>1. Reported in Process of Adjustment:</b>										
1.1. Direct .....	48,363,064								48,363,064	
1.2. Reinsurance assumed .....	.0								.0	
1.3. Reinsurance ceded .....	23,066,212								23,066,212	
1.4. Net .....	25,296,852	.0	.0	.0	.0	.0	.0	.0	25,296,852	.0
<b>2. Incurred but Unreported:</b>										
2.1. Direct .....	929,303								929,303	
2.2. Reinsurance assumed .....	.0								.0	
2.3. Reinsurance ceded .....	464,651								464,651	
2.4. Net .....	464,652	.0	.0	.0	.0	.0	.0	.0	464,652	.0
<b>3. Amounts Withheld from Paid Claims and Capitations:</b>										
3.1. Direct .....	.0								.0	
3.2. Reinsurance assumed .....	.0								.0	
3.3. Reinsurance ceded .....	.0								.0	
3.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
<b>4. TOTALS:</b>										
4.1. Direct .....	49,292,367	.0	.0	.0	.0	.0	.0	.0	49,292,367	.0
4.2. Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3. Reinsurance ceded .....	23,530,863	.0	.0	.0	.0	.0	.0	.0	23,530,863	.0
4.4. Net .....	25,761,504	0	0	0	0	0	0	0	25,761,504	0

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Envision 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) .....					.0	.0
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 .....	24,417,528	130,524,144		25,761,504	24,417,528	24,916,227
9. Health subtotal (Lines 1 to 8).....	24,417,528	130,524,144	.0	25,761,504	24,417,528	24,916,227
10. Healthcare receivables (a).....					.0	.0
11. Other non-health.....					.0	.0
12. Medical incentive pools and bonus amounts .....					.0	.0
13. Totals (Lines 9-10+11+12)	24,417,528	130,524,144	0	25,761,504	24,417,528	24,916,227

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

Pt 2C - Sn A - Paid Claims - Comp

**NONE**

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**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Envision Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

**Section A - Paid Health Claims - Other**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior .....	339,844	340,624	340,097	341,431	342,275
2. 2013 .....	123,926	128,937	128,530	130,611	130,664
3. 2014 .....	XXX	91,914	115,350	115,173	115,234
4. 2015 .....	XXX	XXX	195,582	217,711	217,237
5. 2016 .....	XXX	XXX	XXX	197,084	221,016
6. 2017 .....	XXX	XXX	XXX	XXX	130,524

**Section B – Incurred Health Claims - Other**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior .....	340,844	340,624	340,097	341,431	342,275
2. 2013 .....	128,833	128,937	128,530	130,611	130,664
3. 2014 .....	XXX	111,738	115,350	115,173	115,234
4. 2015 .....	XXX	XXX	219,866	217,711	217,237
5. 2016 .....	XXX	XXX	XXX	222,000	221,016
6. 2017 .....	XXX	XXX	XXX	XXX	156,286

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

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. 2013 .....	134,696	130,664	3,760	2.9	134,424	99.8			134,424	99.8
2. 2014 .....	119,931	115,234	1,532	1.3	116,766	97.4			116,766	97.4
3. 2015 .....	237,342	217,237	4,919	2.3	222,156	93.6			222,156	93.6
4. 2016 .....	235,910	221,016	4,888	2.2	225,904	95.8			225,904	95.8
5. 2017 .....	170,333	130,524	3,747	2.9	134,271	78.8	25,762	2,432	162,465	95.4

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**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Envision 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 2013	2 2014	3 2015	4 2016	5 2017
1. Prior .....	339,844	340,624	340,097	341,431	342,275
2. 2013 .....	123,926	128,937	128,530	130,611	130,664
3. 2014 .....	XXX	91,914	115,350	115,173	115,234
4. 2015 .....	XXX	XXX	195,582	217,711	217,237
5. 2016 .....	XXX	XXX	XXX	197,084	221,016
6. 2017 .....	XXX	XXX	XXX	XXX	130,524

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

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior .....	340,844	340,624	340,097	341,431	342,275
2. 2013 .....	128,833	128,937	128,530	130,611	130,664
3. 2014 .....	XXX	111,738	115,350	115,173	115,234
4. 2015 .....	XXX	XXX	219,866	217,711	217,237
5. 2016 .....	XXX	XXX	XXX	222,000	221,016
6. 2017 .....	XXX	XXX	XXX	XXX	156,286

**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. 2013 .....	134,696	130,664	3,760	2.9	134,424	99.8	.0	.0	134,424	99.8
2. 2014 .....	119,931	115,234	1,532	1.3	116,766	97.4	.0	.0	116,766	97.4
3. 2015 .....	237,342	217,237	4,919	2.3	222,156	93.6	.0	.0	222,156	93.6
4. 2016 .....	235,910	221,016	4,888	2.2	225,904	95.8	.0	.0	225,904	95.8
5. 2017 .....	170,333	130,524	3,747	2.9	134,271	78.8	25,762	2,432	162,465	95.4

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Pt 2C - Sn B - Incurred Claims - Comp

**NONE**

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**

Part 2C - Sn C - Claims Expense Ratio Co

**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**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Envision 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).....	.0								
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... for investment income).....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0	<b>NONE</b>							
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0								
12. Totals (gross) .....	.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 \$ ..... premium deficiency reserve.

**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) .....	0	0	187,220	0	187,220
2. Salaries, wages and other benefits .....	0	0	2,897,234	0	2,897,234
3. Commissions (less \$ .....ceded plus \$ .....assumed) .....	0	0	4,003,951	0	4,003,951
4. Legal fees and expenses .....	0	0	22,500	0	22,500
5. Certifications and accreditation fees .....	0	0	0	0	0
6. Auditing, actuarial and other consulting services .....	0	0	917,762	0	917,762
7. Traveling expenses .....	0	0	94,557	0	94,557
8. Marketing and advertising .....	0	0	518,514	0	518,514
9. Postage, express and telephone .....	0	0	41,291	0	41,291
10. Printing and office supplies .....	0	2,373,540	1,737,726	0	4,111,266
11. Occupancy, depreciation and amortization .....	0	0	0	0	0
12. Equipment .....	0	0	0	0	0
13. Cost or depreciation of EDP equipment and software .....	0	0	129,360	0	129,360
14. Outsourced services including EDP, claims, and other services .....	0	6,942,935	1,000,994	0	7,943,929
15. Boards, bureaus and association fees .....	0	0	385,899	0	385,899
16. Insurance, except on real estate .....	0	0	19,271	0	19,271
17. Collection and bank service charges .....	0	0	828,239	0	828,239
18. Group service and administration fees .....	0	0	0	0	0
19. Reimbursements by uninsured plans .....	0	0	0	0	0
20. Reimbursements from fiscal intermediaries .....	0	0	0	0	0
21. Real estate expenses .....	0	0	0	0	0
22. Real estate taxes .....	0	0	0	0	0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....	0	0	613,591	0	613,591
23.2 State premium taxes .....	0	0	128,071	0	128,071
23.3 Regulatory authority licenses and fees .....	0	0	145,428	0	145,428
23.4 Payroll taxes .....	0	0	321,915	0	321,915
23.5 Other (excluding federal income and real estate taxes) .....	0	0	2,100	0	2,100
24. Investment expenses not included elsewhere .....	0	0	0	18,974	18,974
25. Aggregate write-ins for expenses .....	0	(3,137,140)	(5,151,246)	0	(8,288,386)
26. Total expenses incurred (Lines 1 to 25) .....	0	6,179,335	8,844,377	18,974	15,042,686
27. Less expenses unpaid December 31, current year .....		2,431,520	532,245		2,963,765
28. Add expenses unpaid December 31, prior year .....	0	2,483,172	145,240	0	2,628,412
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)	0	6,230,987	8,457,372	18,974	14,707,333
<b>DETAILS OF WRITE-INS</b>					
2501. Ceding Commissions.....		(3,137,140)	(4,487,484)		(7,624,624)
2502. Fronting Fees.....			(663,762)		(663,762)
2503. ....					0
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	(3,137,140)	(5,151,246)	0	(8,288,386)

(a) Includes management fees of \$ 4,889,534 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) 78,220	74,901
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
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) 53,964	53,964
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	132,184	128,865
11. Investment expenses		(g) 18,974
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)		18,974
17. Net investment income (Line 10 minus Line 16)		109,891
<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 \$ ..... accrual of discount less \$ .....112,335 amortization of premium and less \$ .....33,056 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 \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  
 (g) Includes \$ ..... 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	.981		.981		
1.1 Bonds exempt from U.S. tax			.0		
1.2 Other bonds (unaffiliated)			.0		
1.3 Bonds of affiliates	.0	.0	.0	.0	.0
2.1 Preferred stocks (unaffiliated)	.0	.0	.0	.0	.0
2.11 Preferred stocks of affiliates	.0	.0	.0	.0	.0
2.2 Common stocks (unaffiliated)	.0	.0	.0	.0	.0
2.21 Common stocks of affiliates	.0	.0	.0	.0	.0
3. Mortgage loans	.0	.0	.0	.0	.0
4. Real estate	.0	.0	.0	.0	.0
5. Contract loans			.0		
6. Cash, cash equivalents and short-term investments			.0	.0	.0
7. Derivative instruments			.0		
8. Other invested assets	.0	.0	.0	.0	.0
9. Aggregate write-ins for capital gains (losses)	.0	.0	.0	.0	.0
10. Total capital gains (losses)	981	0	981	0	0
<b>DETAILS OF WRITE-INS</b>					
0901.			.0		
0902.			.0		
0903.			.0		
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

**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).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	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) .....	0	0	0
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.....	18,364	21,703	3,339
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.....	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	392,525	474,503	81,978
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	410,889	496,206	85,317
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	410,889	496,206	85,317
<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
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expenses.....	392,525	474,503	81,978
2502. ....		0	0
2503. ....		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	392,525	474,503	81,978

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Envision 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.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	379,799	320,724	354,330	377,995	402,470	4,277,255
7. Total	379,799	320,724	354,330	377,995	402,470	4,277,255
<b>DETAILS OF WRITE-INS</b>						
0601. Medicare Part D Prescription Drug Plan.....	379,799	302,584	337,714	364,733	387,386	4,100,962
0602. Commercial Prescription Drug Plan.....	.0	18,140	16,616	13,262	15,084	176,293
0603. ....	.0					
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)	379,799	320,724	354,330	377,995	402,470	4,277,255

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of Envision Insurance Company (Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (ODI).

The ODI recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. There is no deviation from the NAIC Accounting Practices and Procedures Manual.

	<u>SSAP</u> #	<u>F/S</u> Page	<u>F/S</u> Line #	<u>2017</u>	<u>2016</u>
<b>NET INCOME</b>					
Envision Insurance Company, state basis (Page 4, Line 32, Column 2 & 3)				(\$2,567,172)	(\$3,393,464)
State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$0	\$0
State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$0	\$0
NAIC SAP				(\$2,567,172)	(\$3,393,464)
<b>SURPLUS</b>					
Envision Insurance Company, state basis (Page 3, Line 33, Column 3 & 4)				\$47,459,158	\$49,589,666
State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$0	\$0
State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$0	\$0
NAIC SAP				\$47,459,158	\$49,589,666

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

The preparation of financial statements in conformity with the Annual Statement Instruction and Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Such estimates and assumptions could change in the future as more information becomes known, which could impact amount reported and disclosed herein. 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.

#### C. Accounting Policy

The Company receives premium for plans offered under Medicare Part D. Premiums are earned on a monthly basis over the terms of the contract. There are 5 sources of Premium as follows:

- 1) Part D Subsidy – The amount of Premium remitted by Medicare for each individual that is enrolled in a plan (“Insured”).
- 2) Basic Member Premium - The amount of Premium remitted by the individual Insured.
- 3) Low Income Premium Subsidy - The amount of Basic Member Premium remitted by Medicare for each Insured eligible for Low Income Subsidies (“LIS”). This amount is paid on behalf of the Insured for their Premium.
- 4) Risk Corridor Adjustment – The calculated Premium adjustment for losses that exceed the target profit thresholds that are set in the Company’s annual Medicare Part D bids.
- 5) Supplemental Member Premium – Premium an Insured pays for Enhanced Benefit coverage and/or non-Medicare covered drugs.

Expenses incurred in connection with acquiring new business and retaining existing business are charged to operations as incurred.

In addition, the Company abides by the following policies:

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds are stated at amortized cost. Amortization of the bond premium or discount is calculated using the scientific (constant yield) interest method taking into consideration specified interest and premium provisions over the life of the bonds.
- 3) The Company has no investments in common stocks.

## NOTES TO FINANCIAL STATEMENTS

- 4) The Company has no preferred stocks.
- 5) The Company has no mortgage loans.
- 6) The Company has no loan-backed securities.
- 7) The Company has no investments in subsidiaries, controlled or affiliated entities.
- 8) The Company has no investments in joint ventures, partnerships or limited liability companies
- 9) The Company has no derivatives.
- 10) The Company had no premium deficiency calculation.
- 11) The Company's claims primarily consist of prescription drug claims processed at the point of sale with the pharmacy. Loss liabilities are primarily based on claims and claims adjustments expenses processed, but unpaid to the pharmacy benefit manager. Effective December 31, 2017, the Company has established an incurred but not reported reserve. The reserve is based on historical rates of negative claims development experience.
- 12) The Company does not have a capitalization policy.
- 13) The Company does not have pharmaceutical rebate receivables.

### 2. Accounting Changes and Corrections of Errors

None.

### 3. Business Combination and Goodwill

- A. Statutory Purchase Method - Not Applicable
- B. Statutory Merger - Not Applicable
- C. Assumption Reinsurance - Not Applicable
- D. Impairment Loss - Not Applicable

### 4. Discontinued Operations

The Company had no operations that were discontinued during 2017 or 2016.

### 5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company did not have investments in mortgage loans at December 31, 2017 or 2016.

- B. Debt Restructuring

The Company did not have invested assets that were restructured debt at December 31, 2017 or 2016.

- C. Reverse Mortgages

The Company did not have investments in reverse mortgages at December 31, 2017 or 2016.

- D. Loan-Backed Securities

The Company did not have loan-backed securities at December 31, 2017 or 2016.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company did not enter into repurchase agreements or securities lending transactions at December 31, 2017 or 2016.

- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

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

- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not have any reverse repurchase agreements transactions accounted for as secured borrowing for the year ended December 31, 2017 or 2016.

## NOTES TO FINANCIAL STATEMENTS

### H. Repurchase Agreements Transactions Accounted for as a Sale

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

### I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

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

### J. Real Estate

The Company did not have any reportable real estate transactions for the year ended December 31, 2017 or 2016.

### K. Low-Income Housing Tax Credits (LIHTC)

The Company did not have any investments in LIHTC at December 31, 2017 or 2016.

### L. Restricted Assets

(1) Restricted Assets (Including Pledged)

#### December 31, 2017

		1	2	3	4	5	6	7
	Restricted Asset Category	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	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.	Place under option contracts							
h.	Letter stock or securities restricted as to sale - excluding FHLB capital stock							
i.	FHLB capital stock							
j.	On deposit with states	5,177,817	5,081,055	96,762	-	5,177,817	1.2%	1.2%
k.	On deposit with other regulatory bodies							
l.	Pledged as collateral to FHLB (Including assets backing funding agreements)							
m.	Pledged as collateral not captured in other categories							
n.	Other restricted assets							
o.	Total Restricted Assets	5,177,817	5,081,055	96,762	-	5,177,817	1.2%	1.2%

## NOTES TO FINANCIAL STATEMENTS

December 31, 2016

		1	2	3	4	5	6	7
Restricted Asset Category		Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	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.	Place under option contracts							
h.	Letter stock or securities restricted as to sale - excluding FHLB capital stock							
i.	FHLB capital stock							
j.	On deposit with states	5,081,055	4,883,755	189,368	-	5,076,331	1.6%	1.6%
k.	On deposit with other regulatory bodies							
l.	Pledged as collateral to FHLB (Including assets backing funding agreements)							
m.	Pledged as collateral not captured in other categories							
n.	Other restricted assets							
o.	Total Restricted Assets	5,081,055	4,883,755	189,368	-	5,076,331	1.6%	1.6%

## M. Working Capital Finance Investments

The Company did not have any working capital finance investments for the year ended December 31, 2017 or 2016.

## N. Offsetting and Netting of Assets and Liabilities

The Company did not have any offsetting and netting of assets and liabilities for the year ended December 31, 2017 or 2016.

## O. Structured Notes

The Company did not have any structured notes for the year ended December 31, 2017 or 2016.

## P. 5\* Securities

The Company did not have any 5\* securities for the year ended December 31, 2017 or 2016.

## Q. Short Sales

The Company did not have any short sales for the year ended December 31, 2017 or 2016.

## R. Prepayment Penalty and Acceleration Fees

The Company did not have any prepayment penalty and acceleration fees for the year ended December 31, 2017 or 2016.

## 6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company did not have investments in Joint Ventures, Partnerships or Limited Liability Companies that exceeded 10% of its admitted assets at December 31, 2017 or 2016.

NOTES TO FINANCIAL STATEMENTS

B. Not applicable to the Company.

7. Investment Income

A. The Company had no due and accrued investment income with amounts that are over 90 days past due.

B. At December 31, 2017 and 2016 there was no non-admitted accrued investment interest income.

8. Derivative Instruments

The Company has no derivative instruments at December 31, 2017 or 2016.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	12/31/2017			12/31/2016			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
1.									
(a) (a) Gross Deferred Tax Assets	\$ 816,239	\$ -	\$ 816,239	\$ 464,889	\$ -	\$ 464,889	\$ 351,350	\$ -	\$ 351,350
(b) (b) Statutory Valuation Allowance Adjustments	-	-	-	-	-	-	-	-	-
(c) (c) Adjusted Gross Deferred Tax Assets (1a - 1b)	816,239	-	816,239	464,889	-	464,889	351,350	-	351,350
(d) (d) Deferred Tax Assets Nonadmitted	18,364	-	18,364	21,703	-	21,703	(3,339)	-	(3,339)
(e) (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	797,875	-	797,875	443,186	-	443,186	354,689	-	354,689
(f) (f) Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
(g) (g) Net Admitted Deferred Tax Asset/ (Net Deferred Tax Liability) (1e - 1f)	\$ 797,875	\$ -	\$ 797,875	\$ 443,186	\$ -	\$ 443,186	\$ 354,689	\$ -	\$ 354,689

	12/31/2017			12/31/2016			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
2.									
Admission Calculation Components SSAP No. 101									
(a) (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) (b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above)After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below )	\$ 797,875	-	\$ 797,875	\$ 443,186	-	\$ 443,186	\$ 354,689	\$ -	\$ 354,689
1. 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	\$ 797,875	-	\$ 797,875	\$ 443,186	-	\$ 443,186	\$ 354,689	\$ -	\$ 354,689
2. 2. Adjusted Gross Deferred Tax Assets Allowed Per Limitation Threshold	XXX	XXX	\$ -	XXX	XXX	\$ -	XXX	XXX	\$ -
(c) (c) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) Offset by Gross Deferred Tax Liabilities	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
(d) (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	\$ 797,875	\$ -	\$ 797,875	\$ 443,186	\$ -	\$ 443,186	\$ 354,689	\$ -	\$ 354,689

3.

	2017	2016
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	614%	696%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	\$ 47,459,158	\$ 49,146,480

B. There are no deferred tax liabilities that are not recognized at December 31, 2017 and 2016.

## NOTES TO FINANCIAL STATEMENTS

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

	(1) 12/31/2017	(1) 12/31/2016	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ -	\$ 160,855	\$ (160,855)
(b) Foreign			-
(c) Subtotal	-	160,855	(160,855)
(d) Federal income tax on net capital gains			-
(e) Utilization of capital loss carryforwards			-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ -	\$ 160,855	\$ (160,855)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ -	\$ -	\$ -
(2) Unearned premium reserve			-
(3) Policyholder reserves			-
(4) Investments			-
(5) Deferred acquisition costs			-
(6) Policyholder dividends accrual			-
(7) Fixed Assets	11,660	22,966	(11,306)
(8) Compensation and benefits accrual			-
(9) Pension accrual			-
(10) Receivables - nonadmitted	290,800	441,923	(151,123)
(11) Net operating loss carry-forward	513,779	-	513,779
(12) Tax credit carryforward			-
(13) Other (including items <5% of total ordinary tax assets)	-	-	-
(99) Subtotal	\$ 816,239	\$ 464,889	\$ 351,350
(b) Statutory valuation allowance adjustments	-	-	-
(c) Nonadmitted	18,364	21,703	(3,339)
(d) Admitted ordinary deferred tax assets (2(a)(99) - 2(b) -2(c))	797,875	443,186	354,689
(e - h) Admitted capital deferred tax assets	-	-	-
(i) Admitted deferred tax assets (2(d) + 2(h))	\$ 797,875	\$ 443,186	\$ 354,689
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ -	\$ -	\$ -
(2) Fixed Assets	-	-	-
(3) Deferred and uncollected premium			-
(4) Policyholder reserves			-
(5) Other (including items <5% of total ordinary tax assets)	-	-	-
(99) Subtotal	\$ -	\$ -	\$ -
(b) Capital	-	-	-
(c) Deferred tax liabilities	\$ -	\$ -	\$ -
4. Net deferred tax assets/liabilities (2(i) + 3(c))	\$ 797,875	\$ 443,186	\$ 354,689

## D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate for 2017:

	Amount	Effective Tax Rate (%)
Provision at the statutory rate	\$ (898,511)	35.0
Net operating loss carryforward	856,298	(33.4)
Other tax differences	42,213	(1.6)
Federal and foreign income taxes incurred	\$ -	\$ -
Change in net deferred income taxes before cumulative effect of changes in tax rates	\$ (895,508)	34.9
Cumulative effect of changes in tax rates on net deferred income taxes	544,159	(21.2)
Total statutory income taxes	\$ (351,349)	13.70

## E. The Company has no available operating loss for offsetting net taxable income

## NOTES TO FINANCIAL STATEMENTS

F. The Company's tax return will be consolidated with that of Rite Aid Corporation and subsidiaries. The Company has a written tax sharing agreement with the Parent, and its allocation of the Parent's federal income and state income and premium tax liability is based on the Company's federal tax liability determined as if the Company were filing its own separate tax return each year. The Company's tax sharing agreement with the Parent provides that the Company will pay the Parent for its net operating losses to the extent that such net operating loss is used in the reduction of the Company's federal income tax liability.

G. Not applicable.

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

A. Nature of the relationship

Envision Insurance Company is a wholly-owned subsidiary of Envision Pharmaceutical Holdings LLC. ("EPH"). Rx Options, LLC ("ROI") and First Florida Insurers of Tampa, LLC ("FFI") are affiliates of EIC and wholly-owned subsidiaries of EPH.

B. Significant transactions for each Period

In September 2017, the \$30 million in surplus notes due to EPH were converted to contributed surplus and all outstanding interest was forgiven.

C. Intercompany Management and Service Arrangements

The Company has a pharmacy benefit management services agreement ("PBMSA") with ROI. The transactions under the agreement totaled \$1,161,719,823 and \$1,781,018,893 for the years ended December 31, 2017 and 2016, respectively.

The Company has a general insurance agency agreement with FFI. The Company incurred \$566,620 and \$750,424 in commissions to FFI for the years ended December 31, 2017 and 2016, respectively.

D. Amounts Due to or from Related Parties

At December 31, 2017 and December 31, 2016, the Company reported \$114,105,954 and \$70,569,922 due to affiliates, respectively. Additionally, the amounts reported as unpaid claims and unpaid claims adjustment expenses are due to ROI under the PBMSA in the amounts of \$25,657,724 and \$2,431,520 as of December 31, 2017 and \$24,916,227 and \$2,483,392 as of December 31, 2016. The December 31, 2017 payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the PBMSA.

E. The Company did not enter into guarantees or undertaking for the benefit of an affiliate which would result in a material contingent exposure of the Company's or any affiliated insurer's assets or liabilities.

F. Management, Service Contracts, Cost Sharing Arrangements

Under the PBMSA, ROI has agreed to provide certain management services to the Company. These designated services include but are not limited to payroll, claims processing, facilities, customer service and other general administrative services. The PBMSA with ROI was extended to December 31, 2018.

The Company has a written tax sharing agreement with the Parent, and its allocation of the Parent's federal income and state income and premium tax liability is based on the Company's federal tax liability determined as if the Company were filing its own separate tax return each year. The Company's tax sharing agreement with the Parent provides that the Company will pay the Parent for its net operating losses to the extent that such net operating loss is used in the reduction of the Company's federal income tax liability. Furthermore, state income and premium tax that results from a combined/consolidated filing shall be allocated to each entity based on the aggregate apportionment of all participating members included within the respective filing. Intercompany tax balances are settled annually.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by EPH.

H. Amount Deducted for Investment in Upstream Company

None

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

None

## NOTES TO FINANCIAL STATEMENTS

J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated Companies

None

K. Investment in a Foreign Insurance Subsidiary

None

L. Investment in Downstream Noninsurance Holding Company

None

M. All Investments in Subsidiaries, Controlled or Affiliated Companies

None

N. Investments in Insurance Subsidiaries, Controlled or Affiliated Companies

None

### 11. Debt

The Company has no debt outstanding at December 31, 2017 and 2016.

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

Not applicable to the Company.

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

1) Outstanding Shares

As of December 31, 2017, the Company has 20,000 shares of \$100 par value common stock authorized, issued and outstanding.

2) Preferred Stock

The Company has no preferred stock outstanding.

3) Dividend Restriction

The Company is generally restricted by insurance laws of the State of Ohio with regard to amounts that can be transferred to the Parent in the form of dividends without the approval of the ODI.

4) Dividends Paid

No dividends were paid by the Company during the years ending December 31, 2017 or 2016.

5) Profits Payable as Dividends

The Company is restricted with regard to amounts that can be transferred to the Parent in the form of dividends, loans, or advances without the approval of the ODI to the greater of (a) 10 percent of statutory surplus as of December 31 of the year preceding the dividend, loan or advancement or (b) 100 percent of statutory net income for the year ended December 31 preceding the dividend, loan or advancement.

6) Unassigned Surplus Restriction

Unassigned surplus funds are not restricted at December 31, 2017 or 2016.

7) Mutual Surplus Advances

There have been no advances to surplus at December 31, 2017.

8) Company Stock Held for Special Purpose

There are no shares of stock held for special purposes at December 31, 2017.

9) Changes in Special Surplus Funds

The Company had special surplus of \$6.1 million as of December 31, 2017. The balance of special surplus funds is the amount of the ACA Section 9010 Health Insurers Fee expected to be paid in 2018.

## NOTES TO FINANCIAL STATEMENTS

### 10) Changes in Unassigned Funds

The Company has no cumulative unrealized capital gains and losses included in unassigned funds.

### 11) Surplus Notes

See Note 10B.

### 12) Reinstatement due to Prior Quasi-Reorganizations

The Company had no restatements due to prior quasi-reorganizations.

### 13) Quasi-Reorganizations over Prior 10 Years

The Company has not been involved in quasi-reorganization during the past 10 years.

## 14. Liabilities, Contingencies and Assessments

### A. Contingent Commitments

The Company has no contingent commitments at December 31, 2017.

### B. Assessments

The Company has not recorded a liability for an assessment as of December 31, 2017.

### C. Gain Contingencies

The Company has no gain contingencies at December 31, 2017.

### D. Claims-Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not Applicable to the Company.

### E. Joint and Several Liabilities

Not Applicable to the Company

### F. All Other Contingencies

Not Applicable to the Company.

## 15. Leases

### A. Lessee Leasing Arrangements

The Company has not entered into any lessee leasing arrangements.

The Company has not entered into any sale and leaseback arrangements.

### B. Lessor Leasing Arrangements

The Company has not entered into any operating or leveraged leases.

## 16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company has no financial instruments with off-balance sheet risk and concentration of credit risk.

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

### A. Transfers of Receivables Reported as Sales

Not applicable to the Company.

### B. Transfer and Servicing of Financial Assets

Not applicable to the Company.

### C. Wash Sales

Not applicable to the Company.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Administrative Services Only (ASO) Plans

##### **December 31, 2017**

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees in excess of actual expenses)	\$654,189	\$0	\$654,189
b. Total net other income or expenses (including interest paid to or received from plans)	\$0	\$0	\$0
c. Net gain or loss from operations	\$654,189	\$0	\$654,189
d. Total claim payment volume	413,357	N/A	413,357

##### **December 31, 2016**

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees in excess of actual expenses)	\$433,136	\$0	\$433,136
b. Total net other income or expenses (including interest paid to or received from plans)	\$0	\$0	\$0
c. Net gain or loss from operations	\$433,136	\$0	\$433,136
d. Total claim payment volume	147,023	N/A	147,023

#### B. Administrative Services Contract (ASC) Plans

Not applicable to the Company.

#### C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable to the Company.

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

Name/Address of MGA	FEIN Number	Exclusive Contract	Type of Business Written	Types of Authority Granted	2017 Total Direct Premiums Written	2016 Total Direct Premiums Written
PRAM Insurance Services, Inc. 1 Pointe Drive Brea, CA 92821	33-0367265	Yes	Commercial Group Prescription Drug Plans	C, CA, B, P, U	\$3,610,563	\$0

### 20. Fair Value Measurements

The Company has no assets recorded at fair value as of December 31, 2017 or 2016.

### 21. Other Items

#### A. Unusual or Infrequent Items

Not applicable to the Company.

#### B. Troubled Debt Restructuring for Debtors

Not applicable to the Company.

#### C. Other Disclosures

##### State Guaranty Association Assessment

Insurers licensed to do business in a state are required by law to be a member of the state guaranty association. Guaranty associations provide for the payment of covered claims arising from the insolvency of

## NOTES TO FINANCIAL STATEMENTS

insurers and are funded through assessments on solvent insurer members per state law. These assessments are based on each member's share of premium during the prior three years. The Company received an assessment of \$462 thousand from a state guaranty association related to the insolvency of several life and health insurers. All premiums of the Company included as the basis for the assessment were under the Medicare Part D program. Federal law prohibits assessments imposed by states on any payment made by the Centers for Medicare and Medicaid Services (CMS). In April 2017, the Company paid and expensed the assessment to avoid potential penalties and sanctions and filed a written appeal of the assessment with the guaranty association asserting that state law is preempted by federal law and Medicare Part D is not a health insurance policy regulated by the state. The guaranty association denied the appeal in June. As permitted by state law, the Company submitted a second appeal to the state insurance commissioner. The second appeal is currently pending.

D. Business Interruption Insurance Recoveries

Not applicable to the Company.

E. State Transferable Tax Credits

Not applicable to the Company.

F. Subprime-Mortgage-Related Risk Exposure

Not applicable to the Company.

G. Retained Assets

Not applicable to the Company.

H. Insurance Linked Securities

Not applicable to the Company.

### 22. Events Subsequent

The Company used February 22, 2018, the date these statutory financial statements were available to be issued as the date through which subsequent events have been evaluated for disclosure.

Type I – Recognized Subsequent Events:

No items were discovered that require disclosure.

Type II – Nonrecognized Subsequent Events:

Acquisition

On February 20, 2018, Rite Aid Corporation, the parent company of Envision Insurance Company, and Albertsons Companies announced a definitive merger agreement under which privately held Albertsons Companies will merge with publicly traded Rite Aid. The transaction is expected to close early in the second half of calendar year 2018 and is subject to customary closing conditions and regulatory and shareholder approvals.

ACA 9010 Fee

Effective January 1, 2014, the Company was subject to an annual fee under section 9010 of the Federal Affordable Care Act ("ACA"). This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of 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 an U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due.

As of January 1, 2016, the Company has written health insurance subject to the annual Health Insurance Providers fee under section 9010 of the Federal Affordable Care Act ("ACA"). The actual Company's portion of the fee is \$3.9 million and is reported in these statements as General Administrative Expenses at December 31, 2016. The 2016 fee was eligible for ceding under the reinsurance agreement and was reported net of expected reinsurance recovery.

The Consolidated Appropriations Act of 2016, Title II, § 201, Moratorium on Annual Fee on Health Insurance Providers, suspends collection of the health insurance provider fee for the 2017 calendar year. Health insurance issuers were not required to pay these fees for 2017.

As of December 31, 2017, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018 and estimates the Company's portion of the annual health insurance industry fee to be payable on Sept. 30, 2018 to be \$6.06 million. This amount is reflected in special surplus.

## NOTES TO FINANCIAL STATEMENTS

	A.	Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?	YES	YES
B.	ACA fee assessment payable for the upcoming year	\$6,063,997	\$0
C.	ACA fee assessment paid	\$0	\$3,861,837
D.	Premium written subject to ACA 9010 assessment	\$340,891,858	\$461,521,238
E.	Total Adjusted Capital before surplus adjustment (Five Year Historical Line 14)	\$47,459,158	\$49,589,666
F.	Total Adjusted Capital after surplus adjustment (Five Year Historical Line 14 minus 22B above)	\$41,395,161	\$49,589,666
G.	Authorized control level after surplus adjustment	\$7,600,172	\$7,057,877
H.	Would reporting the ACA assessment as of December 31, 2017 and 2016 have triggered an RBC action level (YES/NO)?	NO	NO

## 23. Reinsurance

## A. Ceded Reinsurance Report

The Company entered into a quota share reinsurance agreement with Swiss Re Life & Health America Inc. effective January 1, 2015. Under the terms of this agreement, the Company cedes the Company's share of the risk associated for 50% of the individual and 33.33% of the group premiums and claims, respectively. This agreement remains in place for 2016 and 2017.

Effective January 1, 2017, the Company entered into two new reinsurance agreements for selected lines of business. PRAM Captive Insurance Company will provide 50% quota share reinsurance for non-Medicare Part D group prescription drug policies. Artex SAC Limited for and on behalf of Fleet ENX Segregated Account will provide 100% quota share reinsurance for certain Medicare Part D group prescription drug policies.

## Section I – General Interrogatories

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

Yes ( ) No (x)

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

Yes ( ) No (x)

## Section 2 – Ceded Reinsurance Report – Part A

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

Yes ( ) No (x)

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

Yes ( ) No (x)

## Section 3 – Ceded Reinsurance Report – Part B

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

\$210,283,354

## NOTES TO FINANCIAL STATEMENTS

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

Yes ( ) No (x)

- B. The Company had no uncollectible reinsurance written off during 2017.
- C. The Company had no commutation of ceded reinsurance during 2017.
- D. The Company had no certified reinsurer during 2017.

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

#### Medicare Part D

- A. The Company offers Medicare Part D Prescription Benefits Plans. As part of these plans, risk-sharing corridors are established between the providers (the Company) and the Centers for Medicare and Medicaid Services ("CMS"). After all costs are known, a retrospectively rated premium adjustment is developed and paid by (or to) CMS.
- B. The Company records accrued retrospective premiums through written premiums. A targeted amount is factored in determining the retrospective adjustments.
- C. The amount of the retrospective premium risk corridor for 2017 was \$51,116,273 which represents 15% of the total net premiums written.

#### Group Plans

- A. The Company offers Employer Group Waiver Plans under its Medicare Part D Contract. Certain of these plans have contingent premium clauses based on the plans loss experience compared to targets established in the group agreement. Accruals are based on annual experience available at the end of the plan year. At December 31, 2017, \$.3 million been accrued for contingent premiums.
- B. The Company records contingent premium payable through written premiums
- C. The amount of net premiums subject to these group contingent premium clauses written by the company at December 31, 2017 was \$13.4 million, which represents 3.9% of the total net premiums written.

#### Medical Loss Ratio Rebates Pursuant to the Public Health Service Act

Starting with plan year 2014, the Company was required to report its medical loss ratio and be subject to medical loss ratio and rebate requirements for its Medicare Part D contract. The report was filed with CMS in December 2017 and the medical loss ratio reported was not below the CMS established minimum threshold for regulatory action.

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

The Company only provides coverage under a Medicare Part D Contract and does not provide coverage subject to the ACA risk-sharing provisions.

### 25. Change in Incurred Claims and Claims Adjustment Expenses

Activity in the reserve for losses and loss adjustment expenses is summarized as follows:

<i>(In Thousands)</i>	<u>2017</u>	<u>2016</u>
Balance as of January 1:	\$ 27,400	\$ 27,012
Incurred related to:		
Current year	162,465	226,888
Prior years	<u>(499)</u>	<u>1,803</u>
Total incurred	<u>161,966</u>	<u>227,971</u>
Paid related to:		
Current year	134,271	199,489
Prior years	<u>26,902</u>	<u>28,094</u>
Total paid	<u>161,175</u>	<u>227,583</u>
Balance as of December 31:	<u>\$ 28,193</u>	<u>\$ 27,400</u>

These amounts do not include the LICCS, CGDP, or Federal Catastrophic Reinsurance portions of claims that have been or will be reimbursed by CMS or drug manufacturers.

## NOTES TO FINANCIAL STATEMENTS

Effective December 31, 2017, the Company has established an incurred but not reported reserve of \$.464 million. The reserve is based on historical rates of adverse claims development experience.

**26. Intercompany Pooling Arrangements**

Not applicable at December 31, 2017 and 2016.

**27. Structured Settlements**

Not applicable at December 31, 2017 and 2016.

**28. Health Care Receivables**

The Company does not have any health care receivables disclosures at December 31, 2017 or 2016.

**29. Participating Policies**

Not applicable at December 31, 2017 and 2016.

**30. Premium Deficiency Reserves**

The Company did not record premium deficiency reserves at December 31, 2017 or 2016.

**31. Anticipated Subrogation and Other Receivables**

The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses. No reduction in liability was required.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ X ] No [ ]  
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? Ohio.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....12/31/2016
- 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. .....12/31/2016
- 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). .....02/20/2018
- 3.4 By what department or departments? Ohio 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 [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [ X ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [ X ]
- 4.12 renewals? Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [ X ]
- 4.22 renewals? Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]
- 6.2 If yes, give full information \_\_\_\_\_
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [ X ]
- 7.2 If yes, .....0.0
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

## GENERAL INTERROGATORIES

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

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Skoda Minotti 6685 Beta Dr., Mayfield Village, Ohio 44143.....
- 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?  
Milliman c/o Courtney R. White, FSA, MAAA, 3424 Peachtree Road NE, Suite 1900, Atlanta, Georgia 30326-1123.....
- 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 0.....
- 12.12 Number of parcels involved .....0
- 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              | \$.....0 |
|  | 20.12 To stockholders not officers                | \$.....0 |
|  | 20.13 Trustees, supreme or grand (Fraternal only) | \$.....0 |
- 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              | \$.....0 |
|  | 20.22 To stockholders not officers                | \$.....0 |
|  | 20.23 Trustees, supreme or grand (Fraternal only) | \$.....0 |
- 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   | \$.....0 |
|  | 21.22 Borrowed from others | \$.....0 |
|  | 21.23 Leased from others   | \$.....0 |
|  | 21.24 Other                | \$.....0 |
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 22.2 If answer is yes:
- |  |                                                |          |
|--|------------------------------------------------|----------|
|  | 22.21 Amount paid as losses or risk adjustment | \$.....0 |
|  | 22.22 Amount paid as expenses                  | \$.....0 |
|  | 22.23 Other amounts paid                       | \$.....0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....0

### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ X ] No [ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] 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                   | \$.....0 |
|  | 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$.....0 |
|  | 24.103 Total payable for securities lending reported on the liability page                                       | \$.....0 |

## 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  No

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

25.21 Subject to repurchase agreements	\$ .....	0
25.22 Subject to reverse repurchase agreements	\$ .....	0
25.23 Subject to dollar repurchase agreements	\$ .....	0
25.24 Subject to reverse dollar repurchase agreements	\$ .....	0
25.25 Placed under option agreements	\$ .....	0
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	\$ .....	0
25.27 FHLB Capital Stock	\$ .....	0
25.28 On deposit with states	\$ .....	5,177,817
25.29 On deposit with other regulatory bodies	\$ .....	0
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$ .....	0
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$ .....	0
25.32 Other	\$ .....	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No  N/A   
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

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  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
Wells Fargo Bank.....	40 Capital Market Street, Suite 702, Sacramento, CA 95814.....
Huntington National Bank.....	300 Market Street, Akron, OH 44308.....

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

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

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

## GENERAL INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
Internally Managed.....	.....
.....	.....
.....	.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	7,266,768	7,285,189	18,421
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	7,266,768	7,285,189	18,421

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

Wall Street Journal.....

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

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

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

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

32.2 If no, list exceptions:

## GENERAL INTERROGATORIES

33. By self-designating 5\*GI securities, the reporting entity is certifying the following elements of each self-designated 5\*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
  - b. Issuer or obligor is current on all contracted interest and principal payments.
  - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5\*GI securities?

Yes [  ] No [  ]

### OTHER

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

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....

35.1 Amount of payments for legal expenses, if any? \$ .....3,288

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Epstein Becker Green, P.C.....	\$ .....3,288

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

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

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [ X ]
- 1.2 If yes, indicate premium earned on U.S. business only. \$ .....0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ .....
- 1.31 Reason for excluding .....
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$ .....
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ .....0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ .....0
- 1.62 Total incurred claims \$ .....0
- 1.63 Number of covered lives .....0
- All years prior to most current three years:
- 1.64 Total premium earned \$ .....0
- 1.65 Total incurred claims \$ .....0
- 1.66 Number of covered lives .....0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ .....0
- 1.72 Total incurred claims \$ .....0
- 1.73 Number of covered lives .....0
- All years prior to most current three years:
- 1.74 Total premium earned \$ .....0
- 1.75 Total incurred claims \$ .....0
- 1.76 Number of covered lives .....0

2. Health Test:

		1 Current Year		2 Prior Year
2.1	Premium Numerator	\$ .....170,332,618	\$	.....235,910,944
2.2	Premium Denominator	\$ .....170,332,618	\$	.....235,910,944
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$ .....25,761,504	\$	.....24,916,227
2.5	Reserve Denominator	\$ .....25,761,504	\$	.....24,916,227
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [ X ]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [ ] No [ X ]
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ X ]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [ X ]
- 5.2 If no, explain:  
Commercial Prescription drug and Medicare Part D Business only
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$ .....
- 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:
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [ X ] No [ ]
- 7.2 If no, give details
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year .....70,909
- 8.2 Number of providers at end of reporting year .....67,511
- 9.1 Does the reporting entity have business subject to premium rate guarantees? ..... Yes [ ] No [ X ]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months .....
- 9.22 Business with rate guarantees over 36 months .....

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [ ] No [ X ]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$.....
- 10.22 Amount actually paid for year bonuses \$.....
- 10.23 Maximum amount payable withholds \$.....
- 10.24 Amount actually paid for year withholds \$.....
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [ ] No [ X ]
- 11.13 An Individual Practice Association (IPA), or, Yes [ ] No [ X ]
- 11.14 A Mixed Model (combination of above) ? Yes [ ] No [ X ]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [ X ] No [ ]
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Florida.....
- 11.4 If yes, show the amount required. \$.....27,186,474
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [ X ]
- 11.6 If the amount is calculated, show the calculation
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
All 50 states plus District of Columbia.....
Guam.....
Puerto Rico.....

- 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:

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) \$.....
- 15.2 Total incurred claims \$.....
- 15.3 Number of covered lives .....

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

**FIVE - YEAR HISTORICAL DATA**

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	428,859,470	309,925,001	332,771,467	515,036,057	309,556,322
2. Total liabilities (Page 3, Line 24)	381,400,312	260,335,335	281,649,433	477,390,360	284,092,012
3. Statutory minimum capital and surplus requirement	27,186,474	18,962,017	19,627,568	37,110,548	20,970,840
4. Total capital and surplus (Page 3, Line 33)	47,459,158	49,589,666	51,122,035	37,645,697	25,464,310
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8)	170,332,618	235,910,944	237,341,458	119,931,209	134,696,413
6. Total medical and hospital expenses (Line 18)	155,786,950	223,083,334	222,542,836	111,621,387	121,606,543
7. Claims adjustment expenses (Line 20)	6,179,335	4,887,739	4,918,969	1,531,940	3,760,138
8. Total administrative expenses (Line 21)	8,844,377	9,818,327	11,797,855	7,841,580	5,276,672
9. Net underwriting gain (loss) (Line 24)	(478,044)	(1,878,456)	(1,918,202)	(1,063,698)	4,053,060
10. Net investment gain (loss) (Line 27)	110,872	80,166	88,093	12,015	55,686
11. Total other income (Lines 28 plus 29)	(2,200,000)	(1,434,319)	(4,927,764)	(2,022,342)	(2,052,476)
12. Net income or (loss) (Line 32)	(2,567,172)	(3,393,464)	(6,774,975)	(3,128,956)	1,810,186
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11)	(76,937,109)	46,217,754	214,332,442	(180,952,941)	(67,332,186)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital	47,459,158	49,589,666	51,122,035	37,645,697	25,464,310
15. Authorized control level risk-based capital	7,604,162	7,057,877	7,931,166	11,605,750	7,169,910
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	402,470	379,799	427,927	356,784	484,188
17. Total members months (Column 6, Line 7)	4,277,255	4,555,133	4,849,458	4,470,998	5,633,167
<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)	91.5	94.6	93.8	93.1	90.3
20. Cost containment expenses	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses	3.6	2.1	2.1	1.3	2.8
22. Total underwriting deductions (Line 23)	100.3	100.8	100.8	100.9	97.0
23. Total underwriting gain (loss) (Line 24)	(0.3)	(0.8)	(0.8)	(0.9)	3.0
<b>Unpaid Claims Analysis</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	24,417,528	25,366,823	22,501,343	5,790,455	(3,083,043)
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	24,916,227	24,283,432	19,824,163	5,907,544	4,143,739
<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)	0	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	0	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 2017 OF THE Envision Insurance Company

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

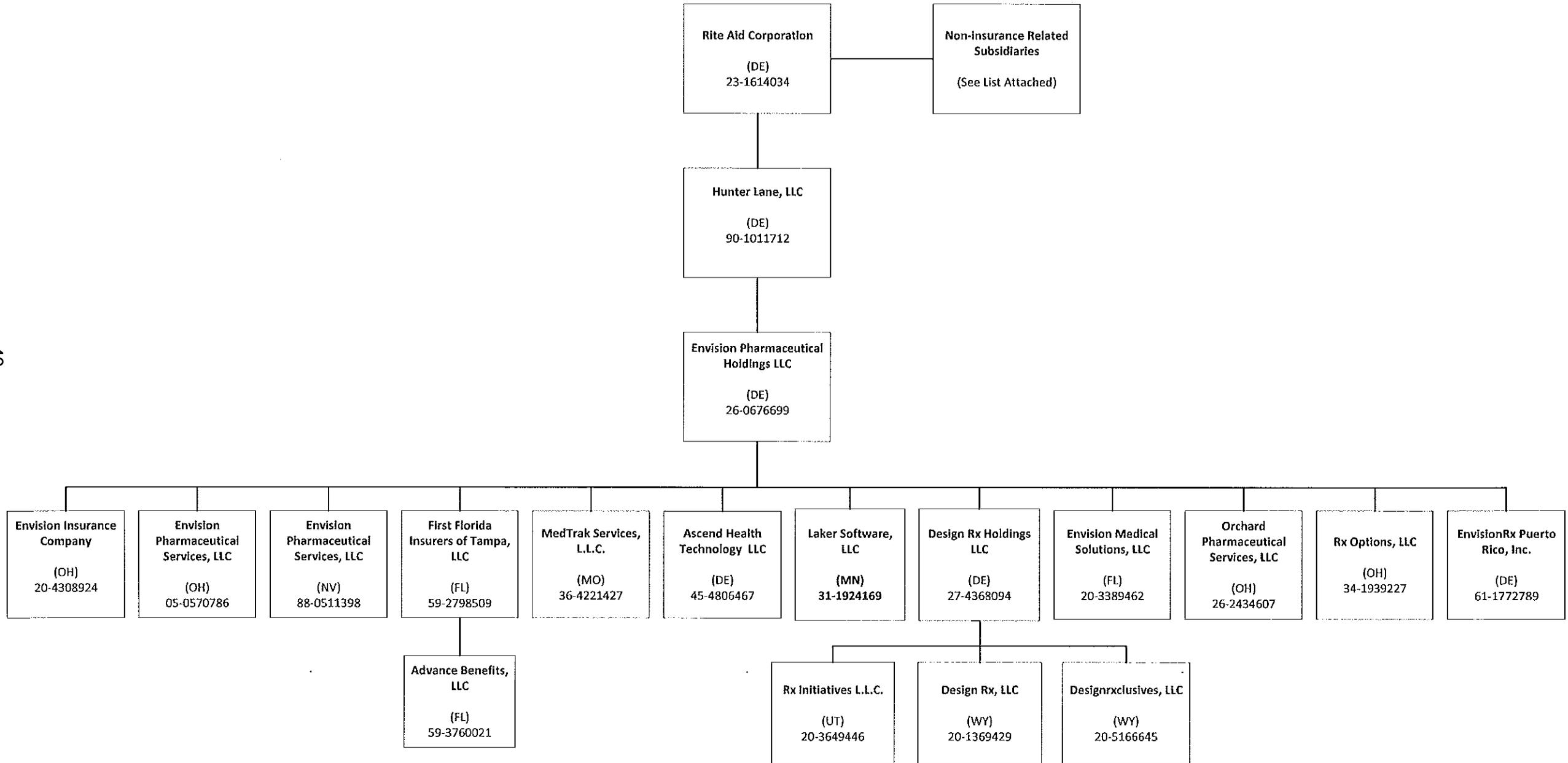
Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		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		
1. Alabama	AL	L	2,130,726						2,130,726	0
2. Alaska	AK	L	1,712,925						1,712,925	0
3. Arizona	AZ	L	8,711,024						8,711,024	0
4. Arkansas	AR	L	876,859						876,859	0
5. California	CA	L	35,869,255						35,869,255	0
6. Colorado	CO	L	11,579,397						11,579,397	0
7. Connecticut	CT	L	4,479,362						4,479,362	0
8. Delaware	DE	L	4,604,148						4,604,148	0
9. District of Columbia	DC	L	2,043,546						2,043,546	0
10. Florida	FL	L	3,924,688						3,924,688	0
11. Georgia	GA	L	11,750,536						11,750,536	0
12. Hawaii	HI	L	376,432						376,432	0
13. Idaho	ID	L	3,573,997						3,573,997	0
14. Illinois	IL	L	20,465,987						20,465,987	0
15. Indiana	IN	L	3,952,448						3,952,448	0
16. Iowa	IA	L	784,207						784,207	0
17. Kansas	KS	L	1,294,569						1,294,569	0
18. Kentucky	KY	L	2,199,623						2,199,623	0
19. Louisiana	LA	L	1,571,359						1,571,359	0
20. Maine	ME	L	3,957,089						3,957,089	0
21. Maryland	MD	L	10,475,152						10,475,152	0
22. Massachusetts	MA	L	9,250,043						9,250,043	0
23. Michigan	MI	L	18,945,137						18,945,137	0
24. Minnesota	MN	L	1,779,185						1,779,185	0
25. Mississippi	MS	L	4,092,887						4,092,887	0
26. Missouri	MO	L	780,695						780,695	0
27. Montana	MT	L	390,762						390,762	0
28. Nebraska	NE	L	582,499						582,499	0
29. Nevada	NV	L	519,646						519,646	0
30. New Hampshire	NH	L	2,747,688						2,747,688	0
31. New Jersey	NJ	L	8,047,537						8,047,537	0
32. New Mexico	NM	L	3,127,508						3,127,508	0
33. New York	NY	L	13,652,946						13,652,946	0
34. North Carolina	NC	L	11,144,343						11,144,343	0
35. North Dakota	ND	L	190,432						190,432	0
36. Ohio	OH	L	11,864,542						11,864,542	0
37. Oklahoma	OK	L	1,620,557						1,620,557	0
38. Oregon	OR	L	9,576,158						9,576,158	0
39. Pennsylvania	PA	L	34,132,028						34,132,028	0
40. Rhode Island	RI	L	861,248						861,248	0
41. South Carolina	SC	L	7,787,462						7,787,462	0
42. South Dakota	SD	L	285,822						285,822	0
43. Tennessee	TN	L	2,671,519						2,671,519	0
44. Texas	TX	L	12,486,720						12,486,720	0
45. Utah	UT	L	3,928,449						3,928,449	0
46. Vermont	VT	L	973,611						973,611	0
47. Virginia	VA	L	5,887,513						5,887,513	0
48. Washington	WA	L	20,327,864						20,327,864	0
49. West Virginia	WV	L	6,244,077						6,244,077	0
50. Wisconsin	WI	L	10,344,079						10,344,079	0
51. Wyoming	WY	L	204,990						204,990	0
52. American Samoa	AS	N							0	0
53. Guam	GU	L	20,944						20,944	0
54. Puerto Rico	PR	L	89,638						89,638	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	0
59. Subtotal	XXX		340,891,858	0	0	0	0	0	340,891,858	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	0
61. Total (Direct Business)	(a) 53		340,891,858	0	0	0	0	0	340,891,858	0
<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	0
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX		0	0	0	0	0	0	0	0

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

Explanation of basis of allocation by states, premiums by state, etc. Premiums by residency. Retrospective allocated proportionately.

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



**RITE AID CORPORATION AFFILIATES/SUBSIDIARIES**

<u>Company (Name in which such subsidiary conducts business if other than corporate name):</u>	<u>State of Incorporation or Organization</u>
112 Burlleigh Avenue Norfolk, LLC .....	Virginia
1515 West State Street Boise, Idaho, LLC .....	Delaware
1740 Associates, LLC .....	Michigan
3581 Carter Hill Road—Montgomery Corp .....	Alabama
4042 Warrensville Center Road—Warrensville Ohio, Inc .....	Ohio
5277 Associates, Inc .....	Washington
5600 Superior Properties, Inc .....	Ohio
657-659 Broad St Corp .....	New Jersey
764 South Broadway—Geneva, Ohio, LLC .....	Ohio
Ann & Government Streets—Mobile, Alabama, LLC .....	Delaware
Apex Drug Stores, Inc .....	Michigan
Ascend Health Technology, LLC .....	Delaware
Broadview and Wallings—Broadview Heights Ohio, Inc .....	Ohio
Central Avenue & Main Street Petal—MS, LLC .....	Delaware
Eagle Managed Care Corp .....	Delaware
Eckerd Corporation .....	Delaware
EDC Drug Stores, Inc .....	North Carolina
Eight and Water Streets—Uricksville, Ohio, LLC .....	Delaware
England Street—Ashtland Corporation .....	Delaware
Farground, LLC .....	Virginia
GDF, Inc .....	Virginia
Genovese Drug Stores, Inc .....	Maryland
Gettysburg and Hoover—Dayton, Ohio, LLC .....	Delaware
Harro, Inc .....	Ohio
Health Dialog Services Corporation .....	Alabama
JCG (PJC) USA, LLC .....	Delaware
JCG Holdings (USA), Inc .....	Delaware
K&B Alabama Corporation .....	Delaware
K&B Louisiana Corporation .....	Alabama
K&B Mississippi Corporation .....	Louisiana
K&B Services, Incorporated .....	Mississippi
K&B Tennessee Corporation .....	Louisiana
K&B Texas Corporation .....	Tennessee
K&B, Incorporated .....	Texas
Keystone Centers, Inc .....	Delaware
Lakehurst and Broadway Corporation .....	Pennsylvania
Maxi Drug North, Inc .....	New Jersey
Maxi Drug South, L.P .....	Delaware
Maxi Drug, Inc .....	Delaware
Maxi Green, Inc .....	Vermont
Mayfield & Chillicothe Roads—Chesterland, LLC .....	Ohio
Munson & Andrews, LLC .....	Delaware
Name Rite, LLC .....	Delaware
Northline & Dix—Toledo—Southgate, LLC .....	Michigan
P.J.C. Distribution, Inc .....	Delaware
P.J.C. Realty Co., Inc .....	Delaware
Patton Drive and Navy Boulevard Property Corporation .....	Florida
Paw Paw Lake Road & Paw Paw Avenue—Coloma, Michigan, LLC .....	Delaware
PDS-1 Michigan, Inc .....	Delaware
Perry Distributors, Inc .....	Michigan
Perry Drug Stores Inc .....	Michigan
PJC Dorchester Realty LLC .....	Delaware
PJC East Lyme Realty LLC .....	Delaware
PJC Haverhill Realty LLC .....	Delaware
PJC Haverhill Realty LLC .....	Delaware
PJC Hermitage Realty LLC .....	Delaware
PJC Hyde Park Realty LLC .....	Delaware
PJC Lease Holdings, Inc .....	Delaware
PJC Manchester Realty LLC .....	Delaware
PJC Mansfield Realty LLC .....	Delaware
PJC New London Realty LLC .....	Delaware
PJC of Massachusetts, Inc .....	Massachusetts
PJC of Rhode Island, Inc .....	Rhode Island
PJC of Vermont, Inc .....	Vermont
PJC Peterborough Realty LLC .....	Delaware
PJC Providence Realty LLC .....	Delaware
PJC Realty MA, Inc .....	Massachusetts
PJC Realty N.E. LLC .....	Delaware
PJC Revere Realty LLC .....	Delaware
PJC Special Realty Holdings, Inc .....	Delaware
Ram—Utica, Inc .....	Michigan

Company (Name in which such subsidiary conducts business if other than corporate name):	State of Incorporation or Organization
RDS Detroit, Inc.	Michigan
READ's Inc.	Maryland
RediClinic LLC	Delaware
Rite Aid Drug Palace, Inc.	Delaware
Rite Aid Hdqrs. Corp.	Delaware
Rite Aid Hdqrs. Funding, Inc.	Delaware
Rite Aid Lease Management Company	California
Rite Aid of Alabama, Inc.	Alabama
Rite Aid of Connecticut, Inc.	Connecticut
Rite Aid of Delaware, Inc.	Delaware
Rite Aid of Florida, Inc.	Florida
Rite Aid of Georgia, Inc.	Georgia
Rite Aid of Illinois, Inc.	Illinois
Rite Aid of Indiana, Inc.	Indiana
Rite Aid of Kentucky, Inc.	Kentucky
Rite Aid of Maine, Inc.	Maine
Rite Aid of Maryland, Inc.	Maryland
Rite Aid of Massachusetts, Inc.	Massachusetts
Rite Aid of Michigan, Inc.	Michigan
Rite Aid of New Hampshire, Inc.	New Hampshire
Rite Aid of New Jersey, Inc.	New Jersey
Rite Aid of New York, Inc.	New York
Rite Aid of North Carolina, Inc.	North Carolina
Rite Aid of Ohio, Inc.	Ohio
Rite Aid of Pennsylvania, Inc.	Pennsylvania
Rite Aid of South Carolina, Inc.	South Carolina
Rite Aid of Tennessee, Inc.	Tennessee
Rite Aid of Vermont, Inc.	Vermont
Rite Aid of Virginia, Inc.	Virginia
Rite Aid of Washington, D.C., Inc.	Washington DC
Rite Aid of West Virginia, Inc.	West Virginia
Rite Aid Online Store Inc.	Delaware
Rite Aid Payroll Management Inc.	Delaware
Rite Aid Realty Corp.	Delaware
Rite Aid Rome Distribution Center, Inc.	New York
Rite Aid Services, LLC	Delaware
Rite Aid Specialty Pharmacy LLC	Delaware
Rite Aid Transport, Inc.	Delaware
Rite Fund, Inc.	Delaware
Rite Investments Corp.	Delaware
Rite Investments Corp., LLC	Delaware
Rx Choice, Inc.	Delaware
Seven Mile and Evergreen—Detroit, LLC	Michigan
Silver Springs Road—Baltimore, Maryland/One, LLC	Delaware
Silver Springs Road—Baltimore, Maryland/Two, LLC	Delaware
State & Fortification Streets—Jackson, Mississippi, LLC	Delaware
State Street and Hill Road—Gerard, Ohio, LLC	Delaware
The Jean Counu Group (PJC) USA, Inc.	Delaware
The Lane Drug Company	Ohio
Thrift Drug Inc.	Delaware
Thriftify Corporation	California
Thriftify Payless, Inc.	California
Tyler and Sanders Roads—Birmingham, Alabama, LLC	Delaware

# ALPHABETICAL INDEX

## ANNUAL STATEMENT BLANK

Analysis of Operations by Lines of Business	7
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