



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2016
OF THE CONDITION AND AFFAIRS OF THE

Envision Insurance Company

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

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, Twinsburg, OH, US 44087 330-405-8089
 (Street and Number) (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, Twinsburg, OH, US 44087 330-405-8089
 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.envisionrx.com

Statutory Statement Contact Scott David Gonias 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 Gonias #</u> | <u>Vice President, Insurance Accounting & Treasurer</u> |
| <u>Robert Burns Weinberg #</u> | <u>Senior Vice President, General Counsel & Secretary</u> | <u>Thomas John Welsh</u> | <u>Chief Financial Officer & 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> |
|--------------------------|--------------------------------|--------------------------|---------------------------------|

DIRECTORS OR TRUSTEES

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

State of Ohio

ss

County of Summit

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 Gonias
Vice President, Insurance Accounting & 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 _____

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE Envision Insurance Company

ASSETS

| | Current Statement Date | | | 4 December 31 Prior Year Net Admitted Assets |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------|-------------------------------------------|-------------------------------------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 1. Bonds | 6,527,282 | | 6,527,282 | 6,069,176 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | 0 | 0 |
| 2.2 Common stocks | | | 0 | 0 |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | 0 | 0 |
| 3.2 Other than first liens | | | 0 | 0 |
| 4. Real estate: | | | | |
| 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 (\$36,916,074), cash equivalents (\$0) and short-term investments (\$149,951) | 37,066,025 | | 37,066,025 | 34,270,325 |
| 6. Contract loans (including \$ premium notes) | | | 0 | 0 |
| 7. Derivatives | 0 | | 0 | 0 |
| 8. Other invested assets | 0 | | 0 | 0 |
| 9. Receivables for securities | | | 0 | 0 |
| 10. Securities lending reinvested collateral assets | | | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 43,593,307 | 0 | 43,593,307 | 40,339,501 |
| 13. Title plants less \$ charged off (for Title insurers only) | | | 0 | 0 |
| 14. Investment income due and accrued | 31,476 | | 31,476 | 36,632 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 1,110,835 | | 1,110,835 | 648,640 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums) | | | 0 | 0 |
| 15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$) | 67,272,604 | | 67,272,604 | 23,907,273 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 0 | | 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 | 277,079,533 | | 277,079,533 | 265,193,037 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 823,700 | | 823,700 | 1,057,898 |
| 18.2 Net deferred tax asset | 376,125 | 22,537 | 353,588 | 1,547,832 |
| 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 | 0 |
| 24. Health care (\$) and other amounts receivable | 6,055,496 | | 6,055,496 | 40,654 |
| 25. Aggregate write-ins for other-than-invested assets | 515,649 | 515,649 | 0 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 396,858,725 | 538,186 | 396,320,539 | 332,771,467 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | 0 |
| 28. Total (Lines 26 and 27) | 396,858,725 | 538,186 | 396,320,539 | 332,771,467 |
| DETAILS OF WRITE-INS | | | | |
| 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 | 515,649 | 515,649 | 0 | 0 |
| 2502. Intangible Asset - Licensing | | | 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) | 515,649 | 515,649 | 0 | 0 |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Period | | | Prior Year |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|-------------|-------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$5,453,472 reinsurance ceded)..... | 34,526,571 | | 34,526,571 | 24,283,432 |
| 2. Accrued medical incentive pool and bonus amounts | | | 0 | 0 |
| 3. Unpaid claims adjustment expenses | 1,920,557 | | 1,920,557 | 2,728,597 |
| 4. Aggregate health policy reserves including the liability of \$ for medical loss ratio rebate per the Public Health Service Act | 0 | | 0 | 0 |
| 5. Aggregate life policy reserves | | | 0 | 0 |
| 6. Property/casualty unearned premium reserve | | | 0 | 0 |
| 7. Aggregate health claim reserves | | | 0 | 0 |
| 8. Premiums received in advance | 29,682,476 | | 29,682,476 | 1,758,977 |
| 9. General expenses due or accrued | 321,362 | | 321,362 | 2,799,778 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses)) | 0 | | 0 | 0 |
| 10.2 Net deferred tax liability..... | 0 | | 0 | 0 |
| 11. Ceded reinsurance premiums payable | 54,370,210 | | 54,370,210 | 35,890,562 |
| 12. Amounts withheld or retained for the account of others | 0 | | 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 | 52,855,444 | | 52,855,444 | 82,573,975 |
| 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 \$172,806,837 authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers) | 172,806,837 | | 172,806,837 | 131,614,112 |
| 20. Reinsurance in unauthorized and certified (\$) companies | | | 0 | 0 |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 22. Liability for amounts held under uninsured plans | 0 | | 0 | 0 |
| 23. Aggregate write-ins for other liabilities (including \$ current) | 0 | 0 | 0 | 0 |
| 24. Total liabilities (Lines 1 to 23)..... | 346,483,457 | 0 | 346,483,457 | 281,649,433 |
| 25. Aggregate write-ins for special surplus funds | XXX | XXX | 0 | 3,555,000 |
| 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 | 26,700,000 | 23,700,000 |
| 29. Surplus notes | XXX | XXX | 30,000,000 | 30,000,000 |
| 30. Aggregate write-ins for other-than-special surplus funds | XXX | XXX | 0 | 0 |
| 31. Unassigned funds (surplus) | XXX | XXX | (8,862,918) | (8,132,965) |
| 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 | 49,837,082 | 51,122,035 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 396,320,539 | 332,771,468 |
| DETAILS OF WRITE-INS | | | | |
| 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 | | 3,555,000 |
| 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 | 0 | 3,555,000 |
| 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 To Date | | Prior Year To Date | Prior Year Ended December 31 |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------|--------------------|------------------------------|
| | 1 Uncovered | 2 Total | 3 Total | 4 Total |
| 1. Member Months..... | XXX | 3,422,475 | 3,597,714 | 4,849,458 |
| 2. Net premium income (including \$ non-health premium income)..... | XXX | 176,767,404 | 176,984,374 | 237,341,458 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | 0 | 0 | 0 |
| 4. Fee-for-service (net of \$ medical expenses) | XXX | 0 | 0 | 0 |
| 5. Risk revenue | XXX | 0 | 0 | 0 |
| 6. Aggregate write-ins for other health care related revenues | XXX | 0 | 0 | 0 |
| 7. Aggregate write-ins for other non-health revenues | XXX | 0 | 0 | 0 |
| 8. Total revenues (Lines 2 to 7) | XXX | 176,767,404 | 176,984,374 | 237,341,458 |
| Hospital and Medical: | | | | |
| 9. Hospital/medical benefits | | | 0 | 0 |
| 10. Other professional services | | | 0 | 0 |
| 11. Outside referrals | | | 0 | 0 |
| 12. Emergency room and out-of-area | | | 0 | 0 |
| 13. Prescription drugs | | 344,713,711 | 336,854,012 | 435,899,147 |
| 14. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 | 0 |
| 15. Incentive pool, withhold adjustments and bonus amounts | | | 0 | 0 |
| 16. Subtotal (Lines 9 to 15) | 0 | 344,713,711 | 336,854,012 | 435,899,147 |
| Less: | | | | |
| 17. Net reinsurance recoveries | | 178,343,530 | 173,882,541 | 213,356,311 |
| 18. Total hospital and medical (Lines 16 minus 17) | 0 | 166,370,181 | 162,971,471 | 222,542,836 |
| 19. Non-health claims (net)..... | | | 0 | 0 |
| 20. Claims adjustment expenses, including \$ cost containment expenses..... | | 4,457,278 | 6,630,237 | 4,918,969 |
| 21. General administrative expenses..... | | 7,533,965 | 8,145,245 | 11,797,855 |
| 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 | 178,361,424 | 177,746,953 | 239,259,660 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | (1,594,020) | (762,579) | (1,918,202) |
| 25. Net investment income earned | | 47,233 | 61,310 | 88,093 |
| 26. Net realized capital gains (losses) less capital gains tax of \$ | | | 0 | 0 |
| 27. Net investment gains (losses) (Lines 25 plus 26) | 0 | 47,233 | 61,310 | 88,093 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 93,813) (amount charged off \$ 1,328,131)] | | (1,234,318) | (507,500) | (607,500) |
| 29. Aggregate write-ins for other income or expenses | 0 | 0 | 0 | (4,320,264) |
| 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 | (2,781,105) | (1,208,769) | (6,757,873) |
| 31. Federal and foreign income taxes incurred | XXX | 234,198 | 1,702,250 | 17,102 |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | (3,015,303) | (2,911,019) | (6,774,975) |
| DETAILS OF WRITE-INS | | | | |
| 0601. | XXX | | 0 | 0 |
| 0602. | XXX | | 0 | 0 |
| 0603. | XXX | | 0 | 0 |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | 0 | 0 | 0 |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | XXX | 0 | 0 | 0 |
| 0701. | XXX | | 0 | 0 |
| 0702. | XXX | | 0 | 0 |
| 0703. | XXX | | 0 | 0 |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | 0 | 0 | 0 |
| 0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) | XXX | 0 | 0 | 0 |
| 1401. | | | 0 | 0 |
| 1402. | | | 0 | 0 |
| 1403. | | | 0 | 0 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) | 0 | 0 | 0 | 0 |
| 2901. Penalties..... | | | 0 | 0 |
| 2902. | | | 0 | (4,320,264) |
| 2903. | | | 0 | 0 |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 | 0 | 0 |
| 2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) | 0 | 0 | 0 | (4,320,264) |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | 1 | 2 | 3 |
|----------------------------------------------------------------------------------------|-------------------------|-----------------------|------------------------------------|
| | Current Year To Date | Prior Year To Date | Prior Year Ended December 31 |
| CAPITAL & SURPLUS ACCOUNT | | | |
| 33. Capital and surplus prior reporting year..... | 51,122,034 | 37,645,697 | 37,645,697 |
| 34. Net income or (loss) from Line 32 | (3,015,303) | (2,911,019) | (6,774,975) |
| 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 | (1,347,116) | (467,472) | 887,615 |
| 39. Change in nonadmitted assets | 77,467 | (136,472) | 4,363,697 |
| 40. Change in unauthorized and certified reinsurance | 0 | 0 | 0 |
| 41. Change in treasury stock | | 0 | 0 |
| 42. Change in surplus notes | 0 | 15,000,000 | 15,000,000 |
| 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 | 3,000,000 | 0 | 0 |
| 45.2 Transferred to capital (Stock Dividend) | 0 | 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 | 0 |
| 48. Net change in capital and surplus (Lines 34 to 47) | (1,284,952) | 11,485,037 | 13,476,337 |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) | 49,837,082 | 49,130,734 | 51,122,034 |
| DETAILS OF WRITE-INS | | | |
| 4701. Prior Period Adjustments..... | | 0 | 0 |
| 4702. | | 0 | 0 |
| 4703. | | 0 | 0 |
| 4798. Summary of remaining write-ins for Line 47 from overflow page | 0 | 0 | 0 |
| 4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above) | 0 | 0 | 0 |

CASH FLOW

| | 1 Current Year To Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|--------------------------------------|
| Cash from Operations | | | |
| 1. Premiums collected net of reinsurance..... | 179,343,025 | 196,142,818 | 261,086,751 |
| 2. Net investment income | 135,243 | 130,664 | 183,810 |
| 3. Miscellaneous income | 0 | 0 | 0 |
| 4. Total (Lines 1 to 3) | 179,478,268 | 196,273,482 | 261,270,561 |
| 5. Benefit and loss related payments | 156,127,042 | 140,373,352 | 218,083,567 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 28,398,513 | 145,739,133 | (171,606,464) |
| 8. Dividends paid to policyholders | 0 | 0 | 0 |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)..... | 0 | 711,015 | 461,016 |
| 10. Total (Lines 5 through 9) | 184,525,555 | 286,823,500 | 46,938,119 |
| 11. Net cash from operations (Line 4 minus Line 10) | (5,047,287) | (90,550,018) | 214,332,442 |
| Cash from Investments | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | 335,000 | 5,370,000 | 5,870,000 |
| 12.2 Stocks | 0 | 0 | 0 |
| 12.3 Mortgage loans | 0 | 0 | 0 |
| 12.4 Real estate | 0 | 198,129 | 198,128 |
| 12.5 Other invested assets | 0 | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 0 | 0 | 0 |
| 12.7 Miscellaneous proceeds | 0 | 0 | 0 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 335,000 | 5,568,129 | 6,068,128 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | 875,960 | 5,336,821 | 5,566,869 |
| 13.2 Stocks | 0 | 0 | 0 |
| 13.3 Mortgage loans | 0 | 0 | 0 |
| 13.4 Real estate | 0 | 0 | 0 |
| 13.5 Other invested assets | 0 | 0 | 0 |
| 13.6 Miscellaneous applications | 0 | 0 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 875,960 | 5,336,821 | 5,566,869 |
| 14. Net increase (or decrease) in contract loans and premium notes | 0 | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | (540,960) | 231,308 | 501,259 |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. Cash provided (applied): | | | |
| 16.1 Surplus notes, capital notes | 0 | 15,000,000 | 15,000,000 |
| 16.2 Capital and paid in surplus, less treasury stock..... | 3,000,000 | 0 | 0 |
| 16.3 Borrowed funds | 0 | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 0 | 0 | 0 |
| 16.5 Dividends to stockholders | 0 | 0 | 0 |
| 16.6 Other cash provided (applied)..... | 5,383,948 | 101,689,514 | (215,169,908) |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)..... | 8,383,948 | 116,689,514 | (200,169,908) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | 2,795,701 | 26,370,804 | 14,663,793 |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year..... | 34,270,324 | 19,606,531 | 19,606,531 |
| 19.2 End of period (Line 18 plus Line 19.1) | 37,066,025 | 45,977,335 | 34,270,324 |

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE Envision Insurance Company

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefits Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|-------------------------------------------------------------|-------------|---------------------------------------|------------|-----------------------------|---------------------|---------------------|------------------------------------------------|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 427,297 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | 427,297 |
| 2. First Quarter | 380,795 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | 380,795 |
| 3. Second Quarter | 380,658 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | 380,658 |
| 4. Third Quarter | 379,817 | | | | | | | | | 379,817 |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 3,422,475 | | | | | | | | | 3,422,475 |
| Total Member Ambulatory Encounters for Period: | | | | | | | | | | |
| 7. Physician | .0 | | | | | | | | | |
| 8. Non-Physician | 0 | | | | | | | | | |
| 9. Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 0 | | | | | | | | | |
| 11. Number of Inpatient Admissions | 0 | | | | | | | | | |
| 12. Health Premiums Written (a)..... | 346,260,455 | | | | | | | | | 346,260,455 |
| 13. Life Premiums Direct..... | .0 | | | | | | | | | |
| 14. Property/Casualty Premiums Written | .0 | | | | | | | | | |
| 15. Health Premiums Earned | 346,260,455 | | | | | | | | | 346,260,455 |
| 16. Property/Casualty Premiums Earned | .0 | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 343,572,450 | | | | | | | | | 343,572,450 |
| 18. Amount Incurred for Provision of Health Care Services | 344,713,711 | | | | | | | | | 344,713,711 |

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 346,260,455

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE Envision Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

| Line of Business | Claims Paid Year to Date | | Liability End of Current Quarter | | 5 Claims Incurred in Prior Years (Columns 1 + 3) | 6 Estimated Claim Reserve and Claim Liability Dec. 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 Dec. 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 | 23,730,912 | 132,396,130 | | 34,526,571 | 23,730,912 | 24,283,432 |
| 9. Health subtotal (Lines 1 to 8)..... | 23,730,912 | 132,396,130 | 0 | 34,526,571 | 23,730,912 | 24,283,432 |
| 10. Health care 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) | 23,730,912 | 132,396,130 | 0 | 34,526,571 | 23,730,912 | 24,283,432 |

6

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

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.

| | 9/30/2016 | 12/31/2015 |
|-------------------------------------------------------------------------|---------------|---------------|
| <u>NET INCOME</u> | | |
| Envision Insurance Company, state basis (Page 4, Line 32, Column 2 & 3) | \$(3,015,303) | \$(6,774,975) |
| State Prescribed Practices that increases/(decreases) NAIC SAP | \$0 | \$0 |
| State Permitted Practices that increases/(decreases) NAIC SAP | \$0 | \$0 |
| NAIC SAP | \$(3,015,303) | \$(6,774,975) |
| <u>SURPLUS</u> | | |
| Envision Insurance Company, state basis (Page 3, Line 33, Column 3 & 4) | \$49,837,082 | \$51,122,035 |
| State Prescribed Practices that increases/(decreases) NAIC SAP | \$0 | \$0 |
| State Permitted Practices that increases/(decreases) NAIC SAP | \$0 | \$0 |
| NAIC SAP | \$49,837,082 | \$51,122,035 |

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

No Change.

D. Going Concern

Not applicable to the Company.

2. Accounting Changes and Corrections of Errors

A. New Accounting Principles

No Change.

B. Accounting Change

No Change.

3. Business Combination and Goodwill

Not applicable to the Company.

4. Discontinued Operations

Not applicable to the Company.

5. Investments

- D. Loan-Backed Securities - Not applicable to the Company.
- E. Repurchase Agreements - Not applicable to the Company.
- I. Working Capital Finance Notes - Not applicable to the Company.
- J. Offsetting and Netting of Assets and Liabilities - Not applicable to the Company.

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable to the Company.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

Not applicable to the Company.

8. Derivative Instruments

Not applicable to the Company.

9. Income Taxes

No Change.

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"). EPH is a wholly-owned subsidiary of Rite Aid Corporation ("Parent"). 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

Capital Contribution

In September 2016, the Company received a \$3 million capital contribution from EPH to meet statutory capital and financial solvency requirements.

C. Intercompany Management and Service Arrangements

The Company has a pharmacy benefit management services agreement ("PBMSA") with ROI. The transactions under the agreement totaled \$1,333,007,232 for the year to date ended September 30, 2016

The Company has a general insurance agency agreement with its affiliate, First Florida Insurers of Tampa, LLC ("FFI"). The Company incurred \$672,403 commissions to FFI for the year to date ending September 30, 2016.

D. Amounts Due to or from Related Parties

At September 30, 2016 and December 31, 2015, the Company reported \$52,855,444 and \$82,573,975 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 \$34,526,571 and \$1,920,557 as of September 30, 2016 and \$24,283,432 and \$2,728,597 as of December 31, 2015. The September 30, 2016 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 accounting, payroll, claims processing, facilities, customer service and other general administrative services.

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. As of September 30, 2016 the Parent owed the Company \$1,023,223 for federal income taxes, which is reported as current federal and foreign income tax receivable in the Statement of Assets. 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

NOTES TO FINANCIAL STATEMENTS

None.

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

None.

K. Investment in a Foreign Insurance Subsidiary

None.

11. Debt

Not applicable to the Company.

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

Surplus Notes

| Date Issued | Interest Rate | Par Value (Face Amount of Notes) | Carrying Value of Note | Interest And/Or Principal Paid Current Year | Total Interest And/Or Principal Paid | Unapproved Interest And/Or Principal | Date of Maturity |
|-------------|---------------|----------------------------------|------------------------|---------------------------------------------|--------------------------------------|--------------------------------------|------------------|
| 3/24/2015 | 0.40% | \$15,000,000 | \$15,000,000 | \$0 | \$0 | 91,800 | 12/15/2017 |
| 12/23/2014 | 0.34% | \$15,000,000 | \$15,000,000 | \$0 | \$0 | 92,833 | 12/15/2017 |
| | Total | \$30,000,000 | \$30,000,000 | \$0 | \$0 | 184,633 | |

Payment of principal or interest is subject to approval by the Ohio Department of Insurance. Payment of the principal or interest on this note is subordinated to the prior payment of all claims of the policyholders, claimants, beneficiaries and all other classes of creditors other than surplus note holders. Additionally, no accrued interest has been recorded as approval for payment has not been obtained from the Ohio Department of Insurance.

14. Contingencies

No Change.

15. Leases

Not applicable to the Company.

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

Not applicable to the Company.

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

B. Transfer and Servicing of Financial Assets - Not applicable to the Company.

C. Wash Sales - Not applicable to the Company.

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

Not applicable to the Company.

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

Not applicable to the Company.

20. Fair Value Measurements

The Company has no assets or liabilities recorded at fair value as of September 30, 2016.

NOTES TO FINANCIAL STATEMENTS

21. Other Items

C. Other Disclosures and Unusual Items

ACA 9010 Fee

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 September 30, 2016. The 2016 fee is eligible for ceding under the reinsurance agreement and is 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. Thus, health insurance issuers are not required to pay these fees for 2017. As such, no amount has been accrued as Special Surplus in 2016.

Acquisition

On October 27, 2015, Rite Aid Corporation, the parent company of Envision Insurance Company, signed a definitive agreement pursuant to which, it will be acquired by Walgreens Boots Alliance, Inc. ("Walgreens"). The transaction is expected to close during the first quarter of 2017 and is subject to customary closing conditions and regulatory approvals.

22. Events Subsequent

No items were discovered that require disclosure.

23. Reinsurance

No Change

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

E. Risk-Sharing Provisions of the Affordable Care Act - Not applicable to the Company.

25. Change in Incurred Claims and Claims Adjustment Expenses

Unpaid claims and claims adjustment expenses were \$36,447,128 at September 30, 2016. In 2016, \$26,459,509 was paid for incurred claims and claims adjustment expenses attributable to insured events of 2015 and prior years. The reserves at September 30, 2016 are for current year activities. There are no reserves remaining for prior years.

26. Intercompany Pooling Arrangements

Not applicable to the Company.

27. Structured Settlements

Not applicable to the Company.

28. Health Care Receivables

Not applicable to the Company.

29. Participating Policies

Not applicable to the Company.

30. Premium Deficiency Reserves

Not applicable to the Company.

31. Anticipated Subrogation and Other Receivables

Not applicable to the Company.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
.....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2011
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2011
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).02/18/2013
- 6.4 By what department or departments?
Ohio Department of Insurance.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated 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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

| 1 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 FDIC | 6 SEC |
|---------------------|--------------------------------|----------|----------|-----------|----------|
| | | | | | |

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:
.....

9.2 Has the code of ethics for senior managers been amended? Yes No

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

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

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

FINANCIAL

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

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

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0

13. Amount of real estate and mortgages held in short-term investments: \$0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

| | 1 Prior Year-End Book/Adjusted Carrying Value | 2 Current Quarter Book/Adjusted Carrying Value |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| 14.21 Bonds | \$0 | \$0 |
| 14.22 Preferred Stock | \$0 | \$0 |
| 14.23 Common Stock | \$0 | \$0 |
| 14.24 Short-Term Investments | \$0 | \$0 |
| 14.25 Mortgage Loans on Real Estate | \$0 | \$0 |
| 14.26 All Other | \$0 | \$0 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)..... | \$0 | \$0 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$0 | \$0 |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

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

If no, attach a description with this statement.

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE Envision Insurance Company

GENERAL INTERROGATORIES

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$0
- 16.3 Total payable for securities lending reported on the liability page \$0

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

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

| 1 Name of Custodian(s) | 2 Custodian Address |
|-------------------------------|----------------------------------------------------------------|
| Huntington National Bank..... | 300 Market Street, Akron, OH 44308..... |
| Wells Fargo Bank..... | 40 Capital Market Street, Suite 702, Sacramento, CA 95814..... |

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

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

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

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

| 1 Central Registration Depository | 2 Name(s) | 3 Address |
|--------------------------------------|--------------|--------------|
| | | |

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

18.2 If no, list exceptions:

.....

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

| 1 NAIC Company Code | 2 ID Number | 3 Effective Date | 4 Name of Reinsurer | 5 Domiciliary Jurisdiction | 6 Type of Reinsurance Ceded | 7 Type of Reinsurer | 8 Certified Reinsurer Rating (1 through 6) | 9 Effective Date of Certified Reinsurer Rating |
|---------------------------|----------------|------------------------|------------------------|----------------------------------|--------------------------------------|------------------------|-----------------------------------------------------|---------------------------------------------------------|
| NONE | | | | | | | | |

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE Envision Insurance Company

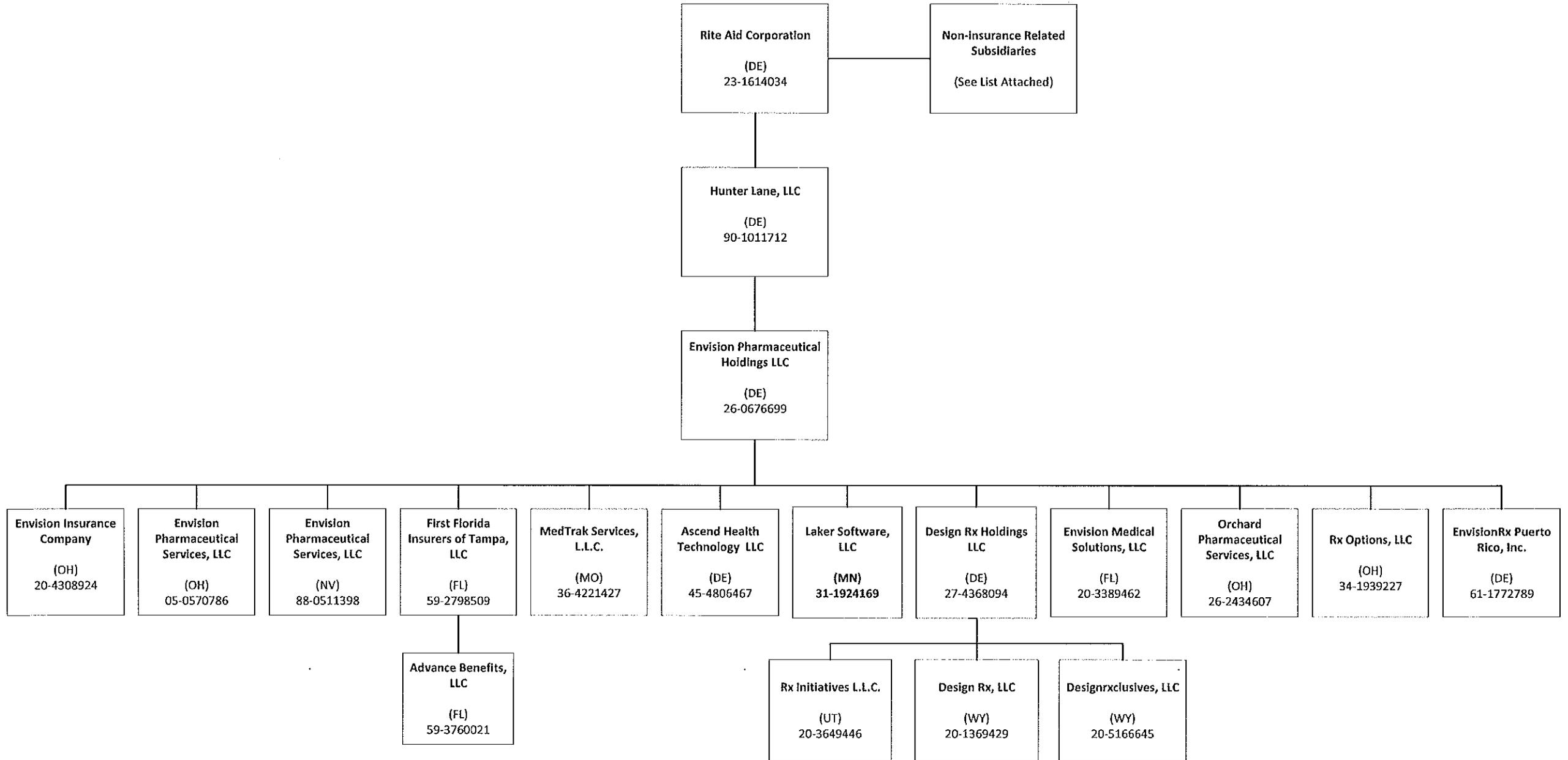
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

| States, 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 Program Premiums | 6 Life & Annuity Premiums & Other Considerations | 7 Property/Casualty Premiums | 8 Total Columns 2 Through 7 | | |
| 1. Alabama | AL | L | 1,774,986 | | | | | | 1,774,986 | |
| 2. Alaska | AK | L | 1,237,376 | | | | | | 1,237,376 | |
| 3. Arizona | AZ | L | 6,777,002 | | | | | | 6,777,002 | |
| 4. Arkansas | AR | L | 958,220 | | | | | | 958,220 | |
| 5. California | CA | L | 129,835,844 | | | | | | 129,835,844 | |
| 6. Colorado | CO | L | 8,624,270 | | | | | | 8,624,270 | |
| 7. Connecticut | CT | L | 1,049,471 | | | | | | 1,049,471 | |
| 8. Delaware | DE | L | 892,664 | | | | | | 892,664 | |
| 9. Dist. Columbia | DC | L | 1,007,090 | | | | | | 1,007,090 | |
| 10. Florida | FL | L | 4,002,750 | | | | | | 4,002,750 | |
| 11. Georgia | GA | L | 2,780,195 | | | | | | 2,780,195 | |
| 12. Hawaii | HI | L | 370,703 | | | | | | 370,703 | |
| 13. Idaho | ID | L | 2,642,908 | | | | | | 2,642,908 | |
| 14. Illinois | IL | L | 19,023,953 | | | | | | 19,023,953 | |
| 15. Indiana | IN | L | 2,302,533 | | | | | | 2,302,533 | |
| 16. Iowa | IA | L | 944,485 | | | | | | 944,485 | |
| 17. Kansas | KS | L | 1,037,439 | | | | | | 1,037,439 | |
| 18. Kentucky | KY | L | 2,359,088 | | | | | | 2,359,088 | |
| 19. Louisiana | LA | L | 1,560,050 | | | | | | 1,560,050 | |
| 20. Maine | ME | L | 1,805,986 | | | | | | 1,805,986 | |
| 21. Maryland | MD | L | 5,221,618 | | | | | | 5,221,618 | |
| 22. Massachusetts | MA | L | 3,029,133 | | | | | | 3,029,133 | |
| 23. Michigan | MI | L | 9,378,757 | | | | | | 9,378,757 | |
| 24. Minnesota | MN | L | 1,498,481 | | | | | | 1,498,481 | |
| 25. Mississippi | MS | L | 1,831,990 | | | | | | 1,831,990 | |
| 26. Missouri | MO | L | 470,619 | | | | | | 470,619 | |
| 27. Montana | MT | L | 376,697 | | | | | | 376,697 | |
| 28. Nebraska | NE | L | 642,385 | | | | | | 642,385 | |
| 29. Nevada | NV | L | 935,914 | | | | | | 935,914 | |
| 30. New Hampshire | NH | L | 1,688,855 | | | | | | 1,688,855 | |
| 31. New Jersey | NJ | L | 25,348,460 | | | | | | 25,348,460 | |
| 32. New Mexico | NM | L | 2,478,162 | | | | | | 2,478,162 | |
| 33. New York | NY | L | 4,368,534 | | | | | | 4,368,534 | |
| 34. North Carolina | NC | L | 2,635,320 | | | | | | 2,635,320 | |
| 35. North Dakota | ND | L | 226,983 | | | | | | 226,983 | |
| 36. Ohio | OH | L | 7,445,123 | | | | | | 7,445,123 | |
| 37. Oklahoma | OK | L | 1,260,529 | | | | | | 1,260,529 | |
| 38. Oregon | OR | L | 6,100,049 | | | | | | 6,100,049 | |
| 39. Pennsylvania | PA | L | 19,868,857 | | | | | | 19,868,857 | |
| 40. Rhode Island | RI | L | 584,140 | | | | | | 584,140 | |
| 41. South Carolina | SC | L | 4,013,970 | | | | | | 4,013,970 | |
| 42. South Dakota | SD | L | 296,794 | | | | | | 296,794 | |
| 43. Tennessee | TN | L | 2,164,920 | | | | | | 2,164,920 | |
| 44. Texas | TX | L | 8,685,459 | | | | | | 8,685,459 | |
| 45. Utah | UT | L | 2,232,551 | | | | | | 2,232,551 | |
| 46. Vermont | VT | L | 360,512 | | | | | | 360,512 | |
| 47. Virginia | VA | L | 17,162,054 | | | | | | 17,162,054 | |
| 48. Washington | WA | L | 12,468,636 | | | | | | 12,468,636 | |
| 49. West Virginia | WV | L | 5,082,666 | | | | | | 5,082,666 | |
| 50. Wisconsin | WI | L | 7,126,205 | | | | | | 7,126,205 | |
| 51. Wyoming | WY | L | 219,276 | | | | | | 219,276 | |
| 52. American Samoa | AS | N | | | | | | | 0 | |
| 53. Guam | GU | L | 12,093 | | | | | | 12,093 | |
| 54. Puerto Rico | PR | L | 57,698 | | | | | | 57,698 | |
| 55. U.S. Virgin Islands | VI | N | | | | | | | 0 | |
| 56. Northern Mariana Islands | MP | N | | | | | | | 0 | |
| 57. Canada | CAN | N | | | | | | | 0 | |
| 58. Aggregate other alien | OT | XXX | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Subtotal | XXX | | 346,260,455 | 0 | 0 | 0 | 0 | 0 | 346,260,455 | 0 |
| 60. Reporting entity contributions for Employee Benefit Plans | XXX | | | | | | | | 0 | |
| 61. Total (Direct Business) | (a) 53 | | 346,260,455 | 0 | 0 | 0 | 0 | 0 | 346,260,455 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 58001 | XXX | | | | | | | | 0 | |
| 58002 | XXX | | | | | | | | 0 | |
| 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.

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



RITE AID CORPORATION AFFILIATES/SUBSIDIARIES

| Company (Name in which such subsidiary conducts business if other than corporate name): | State of Incorporation or Organization |
|--------------------------------------------------------------------------------------------|----------------------------------------------|
| 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 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 |

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE Envision Insurance Company

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|------------|------------|-------------------|------------|--------------|-----|------------------------------------------------------------------------|-------------------------------------------|----------------------|----------------------------------|------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------|---------------------------------------------|----|
| Group Code | Group Name | NAIC Company Code | ID Number | Federal RSSD | CIK | Name of Securities Exchange if Publicly Traded (U.S. or International) | Name of Parent Subsidiaries or Affiliates | Domiciliary Location | Relationship to Reporting Entity | Directly Controlled by (Name of Entity/Person) | Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | If Control is Ownership Provide Percentage | Ultimate Controlling Entity(ies)/ Person(s) | * |
| | | | 23-1614034 | | | NYSE | Rite Aid Corporation | DE | UDP | Board of Directors | Board of Directors | 100.0 | Rite Aid Corporation | .0 |
| | | | 90-1011712 | | | | Hunter Lane, LLC | DE | NIA | Rite Aid Corporation | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 26-0676699 | | | | Envision Pharmaceutical Holdings LLC | DE | NIA | Hunter Lane, LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | 12747 | 20-4308924 | | | | Envision Insurance Company | OH | RE | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 34-1939227 | | | | Rx Options, LLC | OH | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 34-4221427 | | | | MedTrak Services, LLC | MO | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 05-0570786 | | | | Envision Pharmaceutical Services, LLC | OH | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 88-0511398 | | | | Envision Pharmaceutical Services, LLC | NV | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 20-3389462 | | | | Envision Medical Solutions, LLC | FL | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 26-2434607 | | | | Orchard Pharmaceutical Services, LLC | OH | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 59-2798509 | | | | First Florida Insurers of Tampa, LLC | OH | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 59-3760021 | | | | Advance Benefits, LLC | FL | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 27-4368094 | | | | Design Rx Holdings LLC | DE | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 20-1369429 | | | | Design Rx, LLC | WY | NIA | Design Rx Holdings Corporation, LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 20-5166645 | | | | Design Rxclusives, LLC | WY | NIA | Design Rx Holdings Corporation, LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 20-3649446 | | | | Rx Initiatives L.L.C | UT | NIA | Design Rx Holdings Corporation, LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 45-4806467 | | | | Ascend Health Technology LLC | DE | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |
| | | | 41-1924169 | | | | Laker Software, LLC | MN | NIA | Envision Pharmaceutical Holdings LLC | Ownership | 100.0 | Rite Aid Corporation | .0 |

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| Asterisk | Explanation |
|----------|-------------|
| | |

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....YES.....

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|--------------------------------------------------------------------------------------------|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | 0 | 198,129 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | 0 | 0 |
| 2.2 Additional investment made after acquisition | 0 | 0 |
| 3. Current year change in encumbrances | 0 | 0 |
| 4. Total gain (loss) on disposals | 0 | 0 |
| 5. Deduct amounts received on disposals | 0 | 198,129 |
| 6. Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 7. Deduct current year's other-than-temporary impairment recognized | 0 | 0 |
| 8. Deduct current year's depreciation | 0 | 0 |
| 9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) | 0 | 0 |
| 10. Deduct total nonadmitted amounts | 0 | 0 |
| 11. Statement value at end of current period (Line 9 minus Line 10) | 0 | 0 |

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D – VERIFICATION

Bonds and Stocks

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|-------------------------------------------------------------------------------------------|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 6,069,176 | 6,464,287 |
| 2. Cost of bonds and stocks acquired | 875,960 | 5,566,869 |
| 3. Accrual of discount | 0 | 0 |
| 4. Unrealized valuation increase (decrease) | 0 | 0 |
| 5. Total gain (loss) on disposals | 0 | 0 |
| 6. Deduct consideration for bonds and stocks disposed of | 335,000 | 5,870,000 |
| 7. Deduct amortization of premium | 82,854 | 91,980 |
| 8. Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 9. Deduct current year's other-than-temporary impairment recognized | 0 | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 6,527,282 | 6,069,176 |
| 11. Deduct total nonadmitted amounts | 0 | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 6,527,282 | 6,069,176 |

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE Envision Insurance Company

SCHEDULE D - PART 1B

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

| NAIC Designation | 1 Book/Adjusted Carrying Value Beginning of Current Quarter | 2 Acquisitions During Current Quarter | 3 Dispositions During Current Quarter | 4 Non-Trading Activity During Current Quarter | 5 Book/Adjusted Carrying Value End of First Quarter | 6 Book/Adjusted Carrying Value End of Second Quarter | 7 Book/Adjusted Carrying Value End of Third Quarter | 8 Book/Adjusted Carrying Value December 31 Prior Year |
|-----------------------------------|-------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|
| BONDS | | | | | | | | |
| 1. NAIC 1 (a)..... | 6,325,671 | 352,190 | 0 | (26,920) | 6,691,802 | 6,325,671 | 6,650,941 | 6,193,835 |
| 2. NAIC 2 (a)..... | 0 | | | | 0 | 0 | 0 | 0 |
| 3. NAIC 3 (a)..... | 0 | | | | 0 | 0 | 0 | 0 |
| 4. NAIC 4 (a)..... | 0 | | | | 0 | 0 | 0 | 0 |
| 5. NAIC 5 (a)..... | 0 | | | | 0 | 0 | 0 | 0 |
| 6. NAIC 6 (a)..... | 0 | | | | 0 | 0 | 0 | 0 |
| 7. Total Bonds | 6,325,671 | 352,190 | 0 | (26,920) | 6,691,802 | 6,325,671 | 6,650,941 | 6,193,835 |
| PREFERRED STOCK | | | | | | | | |
| 8. NAIC 1..... | 0 | | | | 0 | 0 | 0 | 0 |
| 9. NAIC 2..... | 0 | | | | 0 | 0 | 0 | 0 |
| 10. NAIC 3..... | 0 | | | | 0 | 0 | 0 | 0 |
| 11. NAIC 4..... | 0 | | | | 0 | 0 | 0 | 0 |
| 12. NAIC 5..... | 0 | | | | 0 | 0 | 0 | 0 |
| 13. NAIC 6..... | 0 | | | | 0 | 0 | 0 | 0 |
| 14. Total Preferred Stock..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Total Bonds & Preferred Stock | 6,325,671 | 352,190 | 0 | (26,920) | 6,691,802 | 6,325,671 | 6,650,941 | 6,193,835 |

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

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SCHEDULE DA - PART 1

Short-Term Investments

| | 1 | 2 | 3 | 4 | 5 |
|---------|---------------------------------|-----------|-------------|------------------------------------|----------------------------------------------|
| | Book/Adjusted Carrying Value | Par Value | Actual Cost | Interest Collected Year To Date | Paid for Accrued Interest Year To Date |
| 9199999 | 149,951 | XXX | 149,951 | 0 | 0 |

SCHEDULE DA - VERIFICATION

Short-Term Investments

| | 1 | 2 |
|------------------------------------------------------------------------------------------|--------------|---------------------------------|
| | Year To Date | Prior Year Ended December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year..... | 124,659 | 99,934 |
| 2. Cost of short-term investments acquired | 25,292 | 124,659 |
| 3. Accrual of discount | | 0 |
| 4. Unrealized valuation increase (decrease)..... | | 0 |
| 5. Total gain (loss) on disposals | | 0 |
| 6. Deduct consideration received on disposals | | 99,934 |
| 7. Deduct amortization of premium..... | | 0 |
| 8. Total foreign exchange change in book/adjusted carrying value..... | | 0 |
| 9. Deduct current year's other-than-temporary impairment recognized..... | | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 149,951 | 124,659 |
| 11. Deduct total nonadmitted amounts..... | | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 149,951 | 124,659 |

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE Envision Insurance Company

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1 Description | 2 Code | 3 Date Acquired | 4 Rate of Interest | 5 Maturity Date | 6 Book/Adjusted Carrying Value | 7 Amount of Interest Due & Accrued | 8 Amount Received During Year |
|--------------------------------|-----------|-----------------------|--------------------------|-----------------------|--------------------------------------|------------------------------------------|-------------------------------------|
| NONE | | | | | | | |
| 8699999 Total Cash Equivalents | | | | | 0 | 0 | 0 |



**SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2016 OF THE Envision Insurance Company
 MEDICARE PART D COVERAGE SUPPLEMENT**

(Net of Reinsurance)

NAIC Group Code.....00000

NAIC Company Code.....12747

| | Individual Coverage | | Group Coverage | | 5 Total Cash |
|-------------------------------------------------------------------------------------------------------------|---------------------|----------------|----------------|----------------|--------------------|
| | 1 Insured | 2 Uninsured | 3 Insured | 4 Uninsured | |
| 1. Premiums Collected..... | 164,656,338 | xxx | 14,686,687 | xxx | 179,343,025 |
| 2. Earned Premiums | 162,291,639 | xxx | 14,475,765 | xxx | xxx |
| 3. Claims Paid..... | 144,984,197 | xxx | 11,142,844 | xxx | 156,127,041 |
| 4. Claims Incurred..... | 154,496,279 | xxx | 11,873,901 | xxx | xxx |
| 5. Reinsurance Coverage and Low Income Cost Sharing – Claims Paid Net of Reimbursements Applied (a)..... | xxx | 10,913,091 | xxx | 973,404 | 11,886,495 |
| 6. Aggregate Policy Reserves - Change..... | | xxx | | xxx | xxx |
| 7. Expenses Paid..... | 15,628,018 | xxx | 884,000 | xxx | 16,512,018 |
| 8. Expenses Incurred..... | 11,349,270 | xxx | 641,972 | xxx | xxx |
| 9. Underwriting Gain or Loss..... | (3,553,910) | xxx | 1,959,892 | xxx | xxx |
| 10. Cash Flow Result | xxx | xxx | xxx | xxx | (5,182,529) |

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$277,079,533 due from CMS or \$due to CMS