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ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2017

OF THE CONDITION AND AFFAIRS OF THE

QCA Health Plan, Inc.

NAIC Group Code 4807 (Current Period), 4807 (Prior Period) NAIC Company Code 95448 Employer's ID Number 71-0794605

Organized under the Laws of Arkansas, State of Domicile or Port of Entry AR

Country of Domicile United States of America

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

Incorporated/Organized 04/08/1996 Commenced Business 07/31/1996

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

Main Administrative Office 12615 Chenal Parkway, Suite 300 (Street and Number)
LIttle Rock, AR, 72211 (City or Town, State, Country and Zip Code) (501)228-7111 (Area Code) (Telephone Number)

Mail Address 12615 Chenal Parkway, Suite 300 (Street and Number or P.O. Box), Little Rock, AR, 72211 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 12615 Chenal Parkway, Suite 300 (Street and Number)
Little Rock, AR, 72211 (City or Town, State, Country and Zip Code) (501)228-7111 (Area Code) (Telephone Number)

Internet Website Address www.qualchoice.com

Statutory Statement Contact Randall Crow (Name) (501)219-5109 (Area Code)(Telephone Number)(Extension)
randall.crow@qualchoice.com (E-Mail Address) (501)228-0135 (Fax Number)

OFFICERS

Name	Title
Michael Edward Stock	President
Randall Alvin Crow	Treasurer
Charles Hanson	Secretary

OTHERS

Joni Self Daniels, Vice President-Operations
Betty Jo Tatum-Himes, Vice President - Sales & Marketing
Win Hammerly M.D., Vice President - Medical Affairs

DIRECTORS OR TRUSTEES

Mark Fred Bjornson
Philip Linwood Foster
David Allen Sorenson
Steven Charles Schramm
Charles Hanson

State of Arkansas
County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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.

(Signature)	(Signature)	(Signature)
Michael Edward Stock	Randall Alvin Crow	Charles Hanson
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Treasurer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
_____ day of _____, 2018

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

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	42,202,670		42,202,670	40,229,452
2. Stocks (Schedule D):				
2.1 Preferred stocks	1,500,000		1,500,000	1,500,000
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)				
4.2 Properties held for the production of income (less $.....0 encumbrances)				
4.3 Properties held for sale (less $.....0 encumbrances)				
5. Cash ($.....25,998,376, Schedule E Part 1), cash equivalents ($.....10,450, Schedule E Part 2) and short-term investments ($.....1, Schedule DA)	26,008,826		26,008,826	17,124,175
6. Contract loans (including $.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	5,404		5,404	5,404
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets	(4)		(4)	4
12. Subtotals, cash and invested assets (Lines 1 to 11)	69,716,896		69,716,896	58,859,035
13. Title plants less $.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	206,197		206,197	156,402
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,209,205		1,209,205	227,270
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums ($.....0) and contracts subject to redetermination ($.....0)	802,111		802,111	152,453
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,007,708		1,007,708	6,194,584
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	276,950		276,950	1,996,156
18.1 Current federal and foreign income tax recoverable and interest thereon				1,813,593
18.2 Net deferred tax asset	3,742,301	3,099,948	642,353	
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets ($.....0)	118,585	118,585		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	323,747		323,747	298,540
24. Health care ($.....1,179,986) and other amounts receivable	2,353,543	1,173,557	1,179,986	1,074,362
25. Aggregate write-ins for other than invested assets				4,443,384
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	79,757,243	4,392,090	75,365,153	75,215,779
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	79,757,243	4,392,090	75,365,153	75,215,779
DETAILS OF WRITE-INS				
1101. rounding	(4)		(4)	4
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	(4)		(4)	4
2501. CSR Cost Sharing Receivable				4,443,384
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				4,443,384

LIABILITIES, CAPITAL AND SURPLUS

		Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1.	Claims unpaid (less $.....0 reinsurance ceded)	16,828,268	2,096,576	18,924,844	28,937,631
2.	Accrued medical incentive pool and bonus amounts				247,273
3.	Unpaid claims adjustment expenses	407,895		407,895	585,595
4.	Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	587,981		587,981	2,361,287
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	2,214,637		2,214,637	3,057,462
9.	General expenses due or accrued	2,355,819		2,355,819	2,491,967
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))	702,413		702,413	
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable	441,093		441,093	
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	242,135		242,135	1,122,171
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with $.....0 authorized reinsurers, $.....0 unauthorized reinsurers and $.....0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified ($.....0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans	5,915,319		5,915,319	4,532,691
23.	Aggregate write-ins for other liabilities (including $.....0 current)				1
24.	TOTAL Liabilities (Lines 1 to 23)	29,695,560	2,096,576	31,792,136	43,336,078
25.	Aggregate write-ins for special surplus funds	XXX	XXX	3,297,877	
26.	Common capital stock	XXX	XXX	2,454	2,454
27.	Preferred capital stock	XXX	XXX	25,500,046	25,500,046
28.	Gross paid in and contributed surplus	XXX	XXX	29,750,000	29,750,000
29.	Surplus notes	XXX	XXX	5,000,000	5,000,000
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
31.	Unassigned funds (surplus)	XXX	XXX	(19,977,000)	(28,372,439)
32.	Less treasury stock, at cost:				
	32.1 .....0 shares common (value included in Line 26 $.....0)	XXX	XXX	360	360
	32.2 .....0 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	43,573,017	31,879,701
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	XXX	XXX	75,365,153	75,215,779
DETAILS OF WRITE-INS					
2301.	0				
2302.	rounding				1
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				1
2501.	ACA Section 9010 Assessment	XXX	XXX	3,297,877	
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	3,297,877	
3001.		XXX	XXX		
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1.	Member Months	X X X	545,128	646,778
2.	Net premium income (including $.....0 non-health premium income)	X X X	197,579,684	214,833,104
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of $.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	197,579,684	214,833,104
Hospital and Medical:				
9.	Hospital/medical benefits	3,097,551	116,888,702	154,233,357
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area	392,647	14,816,878	18,345,089
13.	Prescription drugs		30,793,374	36,142,871
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		(247,273)	
16.	Subtotal (Lines 9 to 15)	3,490,198	162,251,681	208,721,317
Less:				
17.	Net reinsurance recoveries		1,641,327	1,542,094
18.	TOTAL Hospital and Medical (Lines 16 minus 17)	3,490,198	160,610,354	207,179,223
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....3,369,853 cost containment expenses		6,422,246	7,833,895
21.	General administrative expenses		17,665,662	23,091,492
22.	Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)			(500,000)
23.	TOTAL Underwriting Deductions (Lines 18 through 22)	3,490,198	184,698,262	237,604,610
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	12,881,422	(22,771,506)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		742,974	647,179
26.	Net realized capital gains (losses) less capital gains tax of $.....(11,600)		(21,544)	(2,593)
27.	Net investment gains (losses) (Lines 25 plus 26)		721,430	644,586
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses		17,295	
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	13,620,147	(22,126,920)
31.	Federal and foreign income taxes incurred	X X X	2,527,593	(3,874,088)
32.	Net income (loss) (Lines 30 minus 31)	X X X	11,092,554	(18,252,832)
DETAILS OF WRITE-INS				
0601.		X X X		
0602.		X X X		
0603.		X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.		X X X		
0702.		X X X		
0703.		X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	rounding			
2902.	Miscellaneous Income/Expense		17,295	
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		17,295	

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL & SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	31,879,701	39,550,811
34.	Net income or (loss) from Line 32	11,092,554	(18,252,832)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $.....0		40,839
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	3,742,301	(1,702,936)
39.	Change in nonadmitted assets	(3,141,539)	577,281
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in		
	44.2 Transferred from surplus (Stock Dividend)		
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in		10,750,000
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	(1)	916,538
48.	Net change in capital and surplus (Lines 34 to 47)	11,693,315	(7,671,110)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	43,573,016	31,879,701
DETAILS OF WRITE-INS			
4701.	Rounding	(1)	2
4702.	SSAP 3 Error Correction - Return to Provision		916,536
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(1)	916,538

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	193,773,914	224,961,347
2.	Net investment income	742,166	711,813
3.	Miscellaneous income		(1,840,783)
4.	TOTAL (Lines 1 through 3)	194,516,080	223,832,377
5.	Benefit and loss related payments	165,683,538	196,590,296
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	21,282,627	30,776,463
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	11,587	2,864,389
10.	TOTAL (Lines 5 through 9)	186,977,752	230,231,148
11.	Net cash from operations (Line 4 minus Line 10)	7,538,328	(6,398,771)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	26,446,257	26,802,966
	12.2 Stocks		5,595,450
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	33,743	
	12.8 TOTAL Investment proceeds (Lines 12.1 to 12.7)	26,480,000	32,398,416
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	28,523,749	34,778,631
	13.2 Stocks		
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications		155,772
	13.7 TOTAL Investments acquired (Lines 13.1 to 13.6)	28,523,749	34,934,403
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(2,043,749)	(2,535,987)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		10,750,000
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	3,390,072	(281,713)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	3,390,072	10,468,287
	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)	8,884,651	1,533,529
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	17,124,175	15,590,646
	19.2 End of year (Line 18 plus Line 19.1)	26,008,826	17,124,175

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1.	Net premium income	197,579,684	195,000,946				2,578,738				
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of $.....0 medical expenses)										XXX
4.	Risk revenue										XXX
5.	Aggregate write-ins for other health care related revenues										XXX
6.	Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7.	TOTAL Revenues (Lines 1 to 6)	197,579,684	195,000,946				2,578,738				
8.	Hospital/medical benefits	116,888,702	115,443,931				1,444,771				XXX
9.	Other professional services										XXX
10.	Outside referrals										XXX
11.	Emergency room and out-of-area	14,816,878	14,635,931				180,947				XXX
12.	Prescription drugs	30,793,374	30,357,192				436,182				XXX
13.	Aggregate write-ins for other hospital and medical										XXX
14.	Incentive pool, withhold adjustments and bonus amounts	(247,273)	(247,273)								XXX
15.	Subtotal (Lines 8 to 14)	162,251,681	160,189,781				2,061,900				XXX
16.	Net reinsurance recoveries	1,641,327	1,641,327								XXX
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	160,610,354	158,548,454				2,061,900				XXX
18.	Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19.	Claims adjustment expenses including $.....3,369,853 cost containment expenses	6,422,246	6,346,234				76,012				
20.	General administrative expenses	17,665,662	17,456,576				209,086				
21.	Increase in reserves for accident and health contracts										XXX
22.	Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	184,698,262	182,351,264				2,346,998				
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	12,881,422	12,649,682				231,740				
DETAILS OF WRITE-INS											
0501.											XXX
0502.											XXX
0503.											XXX
0598.	Summary of remaining write-ins for Line 5 from overflow page										XXX
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										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		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.											XXX
1302.											XXX
1303.											XXX
1398.	Summary of remaining write-ins for Line 13 from overflow page										XXX
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	196,760,446		1,759,500	195,000,946
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan	2,599,863		21,125	2,578,738
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid				
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	199,360,309		1,780,625	197,579,684
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	199,360,309		1,780,625	197,579,684

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	172,738,221	170,753,743				1,984,478				
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	633,620	633,620								
1.4 Net	172,104,601	170,120,123				1,984,478				
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	18,924,846	18,715,120				209,726				
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	18,924,846	18,715,120				209,726				
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	226,481	226,481								
7. Amounts recoverable from reinsurers December 31, current year	1,007,708	1,007,708								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	28,937,631	28,788,025				149,606				
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	28,937,631	28,788,025				149,606				
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	247,273	247,273								
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	162,498,955	160,454,357				2,044,598				
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	1,641,328	1,641,328								
12.4 Net	160,857,627	158,813,029				2,044,598				
13. Incurred medical incentive pools and bonuses	(247,273)	(247,273)								

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	717,899	700,698				17,201				
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	717,899	700,698				17,201				
2. Incurred but Unreported:										
2.1 Direct	18,206,947	18,014,422				192,525				
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	18,206,947	18,014,422				192,525				
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	18,924,846	18,715,120				209,726				
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	18,924,846	18,715,120				209,726				

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	6
	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	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	30,562,984	144,810,842	69,345	18,645,773	30,632,329	28,788,025
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan	137,123	1,847,355	516	209,210	137,639	149,606
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	30,700,107	146,658,197	69,861	18,854,983	30,769,968	28,937,631
10. Healthcare receivables (a)	1,341,919	3,911,784	1,007,708	2,353,543	2,349,627	2,127,062
11. Other non-health						
12. Medical incentive pool and bonus amounts						247,273
13. TOTALS (Lines 9 - 10 + 11 + 12)	29,358,188	142,746,413	(937,847)	16,501,440	28,420,341	27,057,842

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS ($000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	17,659	17,659	17,659	17,659	17,659
2. 2013	110,323	120,438	120,438	120,438	120,438
3. 2014	XXX	111,899	130,402	130,402	130,402
4. 2015	XXX	XXX	142,703	167,247	167,312
5. 2016	XXX	XXX	XXX	183,262	213,897
6. 2017	XXX	XXX	XXX	XXX	146,658

Section B - Incurred Health Claims

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	17,637	17,583	17,659	17,659	17,659
2. 2013	123,556	121,923	120,438	120,438	120,438
3. 2014	XXX	140,047	130,908	130,402	130,402
4. 2015	XXX	XXX	170,481	167,250	167,313
5. 2016	XXX	XXX	XXX	212,443	213,966
6. 2017	XXX	XXX	XXX	XXX	165,513

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

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	142,711	120,438	3,243	2.693	123,681	86.665			123,681	86.665
2. 2014	163,468	130,402	1,447	1.110	131,849	80.657			131,849	80.657
3. 2015	206,135	167,312	6,921	4.136	174,233	84.524	1		174,234	84.524
4. 2016	220,854	213,897	7,442	3.479	221,339	100.220	69		221,408	100.251
5. 2017	197,580	146,658	3,412	2.326	150,070	75.954	18,855	408	169,333	85.704

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS ($000 Omitted)

Hospital and Medical

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	17,651	17,651	17,651	17,651	17,651
2. 2013	108,837	118,952	118,952	118,952	118,952
3. 2014	XXX	110,502	128,715	128,715	128,715
4. 2015	XXX	XXX	140,681	165,030	165,095
5. 2016	XXX	XXX	XXX	181,402	211,900
6. 2017	XXX	XXX	XXX	XXX	144,811

Section B - Incurred Health Claims

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	17,629	17,575	17,651	17,651	17,651
2. 2013	121,931	120,437	118,952	118,952	118,952
3. 2014	XXX	138,510	129,197	128,715	128,715
4. 2015	XXX	XXX	168,209	165,033	165,096
5. 2016	XXX	XXX	XXX	210,583	211,969
6. 2017	XXX	XXX	XXX	XXX	163,457

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

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	140,670	118,952	3,190	2.682	122,142	86.829			122,142	86.829
2. 2014	161,387	128,715	1,394	1.083	130,109	80.619			130,109	80.619
3. 2015	203,915	165,095	6,873	4.163	171,968	84.333	1		171,969	84.334
4. 2016	217,987	211,900	7,372	3.479	219,272	100.589	69		219,341	100.621
5. 2017	195,001	144,811	3,359	2.320	148,170	75.984	18,646	403	167,219	85.753

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS ($000 Omitted)

Federal Employees Health Benefits Plan Premiums

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	8	8	8	8	8
2. 2013	1,486	1,486	1,486	1,486	1,486
3. 2014	XXX	1,397	1,687	1,687	1,687
4. 2015	XXX	XXX	2,022	2,217	2,217
5. 2016	XXX	XXX	XXX	1,860	1,997
6. 2017	XXX	XXX	XXX	XXX	1,847

Section B - Incurred Health Claims

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	8	8	8	8	8
2. 2013	1,625	1,486	1,486	1,486	1,486
3. 2014	XXX	1,537	1,711	1,687	1,687
4. 2015	XXX	XXX	2,272	2,217	2,217
5. 2016	XXX	XXX	XXX	1,860	1,997
6. 2017	XXX	XXX	XXX	XXX	2,056

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

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	2,041	1,486	53	3.567	1,539	75.404			1,539	75.404
2. 2014	2,081	1,687	53	3.142	1,740	83.614			1,740	83.614
3. 2015	2,220	2,217	48	2.165	2,265	102.027			2,265	102.027
4. 2016	2,867	1,997	71	3.538	2,068	72.119			2,068	72.119
5. 2017	2,579	1,847	52	2.834	1,899	73.655	209	5	2,113	81.954

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	192,282	192,282							
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including $.....0 for investment income)									
5. Aggregate write-ins for other policy reserves	395,699	216,138				179,561			
6. TOTALS (Gross)	587,981	408,420				179,561			
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	587,981	408,420				179,561			
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. FEHBP Rebate Payable	179,561					179,561			
0502. ACA - Risk Sharing	216,138	216,138							
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	395,699	216,138				179,561			
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)									

(a) Includes $.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent ($.....0 for occupancy of own building)	204,909	82,844	450,758		738,511
2.	Salaries, wages and other benefits	3,961,402	1,601,578	8,714,285		14,277,265
3.	Commissions (less $.....0 ceded plus $.....0 assumed)			3,422,071		3,422,071
4.	Legal fees and expenses					
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services			107,254		107,254
7.	Traveling expenses	21,544	5,128	63,609		90,281
8.	Marketing and advertising	386	811	730,350		731,547
9.	Postage, express and telephone	113,691	411,912	472,497		998,100
10.	Printing and office supplies	62,086	497,894	344,377		904,357
11.	Occupancy, depreciation and amortization			163,851		163,851
12.	Equipment					
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services	801,146	1,162,087	4,707,125		6,670,358
15.	Boards, bureaus and association fees					
16.	Insurance, except on real estate			186,697		186,697
17.	Collection and bank service charges					
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans	(2,094,599)	(846,837)	(4,607,694)		(7,549,130)
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
	23.1 State and local insurance taxes					
	23.2 State premium taxes			2,856,241		2,856,241
	23.3 Regulatory authority licenses and fees			210,373		210,373
	23.4 Payroll taxes	287,605	92,731	395,617		775,953
	23.5 Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere				32,408	32,408
25.	Aggregate write-ins for expenses	11,683	44,245	(584,156)		(528,228)
26.	TOTAL Expenses Incurred (Lines 1 to 25)	3,369,853	3,052,393	17,633,255	32,408	(a) 24,087,909
27.	Less expenses unpaid December 31, current year		407,607	2,355,819		2,763,426
28.	Add expenses unpaid December 31, prior year		554,345	2,491,967		3,046,312
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,369,853	3,199,131	17,769,403	32,408	24,370,795
DETAILS OF WRITE-INS						
2501.	Other Employee Expenses	11,264	11,367	120,497		143,128
2502.	Donations	419		39,720		40,139
2503.						
2598.	Summary of remaining write-ins for Line 25 from overflow page		32,878	(744,373)		(711,495)
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	11,683	44,245	(584,156)		(528,228)

(a) Includes management fees of $.....0 to affiliates and $.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 180,108	229,903
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 512,399	512,399
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 33,080	33,080
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	TOTAL Gross investment income	725,587	775,382
11.	Investment expenses		(g) 32,408
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		
16.	TOTAL Deductions (Lines 11 through 15)		32,408
17.	Net Investment income (Line 10 minus Line 16)		742,974
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.	Service Fees		
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

(a) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 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 $.....0 paid for accrued interest on purchases.
(d) Includes $.....0 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....0 depreciation on real estate and $.....0 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	(40,392)		(40,392)		
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	7,248		7,248		
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	TOTAL Capital gains (losses)	(33,144)		(33,144)		
DETAILS OF WRITE-INS						
0901.	Rounding					
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			
	2.2 Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			
	3.2 Other than first liens			
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			
	4.2 Properties held for the production of income			
	4.3 Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection		861	861
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
	15.3 Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers			
	16.2 Funds held by or deposited with reinsured companies			
	16.3 Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset	3,099,948		(3,099,948)
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software		13,945	13,945
21.	Furniture and equipment, including health care delivery assets	118,585	183,045	64,460
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable	1,173,557	1,052,700	(120,857)
25.	Aggregate write-ins for other than invested assets			
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,392,090	1,250,551	(3,141,539)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	4,392,090	1,250,551	(3,141,539)
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Prepaid Admin Contract			
2502.	Goodwill			
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations	704	566	568	579	578	6,851
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service	56,704	44,484	44,109	45,378	44,945	538,277
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	57,408	45,050	44,677	45,957	45,523	545,128
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

1. Summary of Significant Accounting Policies and Going Concern

Organization and Operation
QCA Health Plan, Inc. (dba QualChoice), (the Company), is a licensed health maintenance organization in the state of Arkansas and is subject to regulation by the Arkansas Insurance Department. The Company was incorporated in Arkansas on April 8, 1996. The Company's parent company is QualChoice Holdings, Inc. (Qualchoice). The Company is engaged in a variety of activities such as providing coverage for its enrollees, substantially all of whom are residents of the state of Arkansas, as well as claims and administrative services for self-insured groups both within and outside the state of Arkansas. QualChoice Holdings is a subsidy of QualChoice Health Plan Services, Inc (QHPS). QHPS is a direct subsidiary of QualChoice Health Inc. (QHI). QHPS owns all health insurance subsidiaries of QHI.

A. Accounting Practices
The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements. Such policies are in conformity with the Annual Statement Instructions and the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners ("NAIC") and the accounting practices as prescribed or permitted by the Arkansas Insurance Department and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

	State of Domicile	2017	2016
Net Income (Loss)			
Company state basis	Arkansas	$11,092,554	$(18,252,832)
State prescribed practices that increase/(decrease) NAIC SAP: None	Arkansas		
State permitted practices that increase/(decrease) NAIC SAP: None	Arkansas		
NAIC SAP (1 - 2 - 3 = 4)	Arkansas	$11,092,554	$(18,252,832)
Capital and Surplus			
Company State basis	Arkansas	$43,573,017	$31,879,701
State prescribed practices that increase/(decrease) NAIC SAP: None	Arkansas		
State permitted practices that increase/(decrease) NAIC SAP: None	Arkansas		
NAIC SAP (5 - 6 - 7 = 8)	Arkansas	$43,573,017	$31,879,701

B. Use of Estimates in the Preparation of the Statutory Basis 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

Health Premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

(1) Short-term investments are stated at amortized cost.

Notes to Financial Statements

(2) Bonds not backed by other loans are stated at amortized cost.
(3) The Company holds no ownership in common stocks.
(4) The Company has invested in the preferred stock of the affiliated entity, QualChoice Life and Health Insurance Company, Inc.
(5) The Company has a minor investment in the affiliated entity, QCA Insurance Agency, LLC.
(6) The commercial mortgage-backed and other loan-backed securities are stated at amortized cost.
(7) The Company holds no derivatives.
(8) The Company does not have premium deficiency reserves.
(9) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
(10) Expenditures for assets are capitalized at $3,000 and all other costs are expensed.

2. Accounting Changes and Corrections of Errors
The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Arkansas. There were no accounting changes or correction or errors from the prior period.

3. Business Combinations and Goodwill
The Company has no business combinations or goodwill as of December 31, 2017.

4. Discontinued Operations
The Company had no discontinued operations as of December 31, 2017.

5. Investments
A. The Company acquired commercial mortgage-backed securities during the year of 2017. The Company is relying on Bank of New York Mellon as a source used to determine the currently estimated cash flows. The Company has no mortgage-backed securities with a recognized other-than-temporary impairment.
(3) There were no taxes, assessments or any amounts advances not included in mortgage loan total.
(4) N/A
(5) There were no investments in impaired loans.
(6) N/A
(7) There was no activity in the allowance for credit losses account.
(8) There were no mortgage loans derecognized as a result of foreclosure.

B. The Company has no debt restructuring at this time.
C. The Company has no reverse mortgages at this time.
D. The Company acquired commercial loan-backed securities during the year of 2017. The Company is relying on Bank of New York Mellon as a source used to determine the currently estimated cash flows. The Company has no loan-backed securities with a recognized other-than-temporary impairment.
(2) There were no securities within the scope of SSAP No. 43R – Loan-Backed and Structured Securities with a recognized other-than-temporary impairment;
(3) N/A
(4) N/A
E. The Company has no repurchase agreements and/or Securities Lending Transactions at this time.
F. The Company has no investments in real estate at this time.
G. The Company has no investments in low-income housing tax credits.
H. The Company has no restricted assets.
I. The Company has no Working Capital Finance Investments.
J. The Company does not offset or net Assets and Liabilities other than Cost Sharing Reduction and ACA Risk Adjustment.
K. The Company does not hold Structured Notes at this time.

6. Joint Ventures, Partnerships and Limited Liability Companies
A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

Notes to Financial Statements

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

A. The Company's investment income was earned on cash, cash equivalents, and bonds, and no investment income was excluded from surplus for the years ended December 31, 2017 and 2016. All investment income due and accrued is included in investment income.

B. N/A

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

A. Components of Deferred Tax Assets (DTA's) and Deferred Tax Liabilities (DTL's):

(1)

Description	2017 Ordinary	2017 Capital	2017 Total	2016 Ordinary	2016 Capital	2016 Total	Change Ordinary	Change Capital	Change Total
a Gross deferred tax assets	3,742,301	-	3,742,301	8,202,773	-	8,202,773	(4,460,472)	-	(4,460,472)
b Statutory valuation allowance adjustment	-	-	-	(8,202,773)	-	(8,202,773)	8,202,773	-	8,202,773
c Adjusted gross deferred tax assets (1a-1b)	3,742,301	-	3,742,301	-	-	-	3,742,301	-	3,742,301
d Deferred tax assets nonadmitted	3,099,948	-	3,099,948	-	-	-	3,099,948	-	3,099,948
e Net admitted deferred tax asset (1c-1d)	642,353	-	642,353	-	-	-	642,353	-	642,353
f Deferred tax liabilities	-	-	-	-	-	-	-	-	-
g Net deferred tax asset/(liability)	642,353	-	642,353	-	-	-	642,353	-	642,353

(2) Admission Calculation Components under SSAP No. 101

Admission Calculation Components	2017 Ordinary	2017 Capital	2017 Total	2016 Ordinary	2016 Capital	2016 Total	Change Ordinary	Change Capital	Change Total
a Federal income taxes paid in prior years recoverable through loss carrybacks	452,010	-	452,010	-	-	-	452,010	-	452,010
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 lessor of 2(b) 1 and 2(b)2 below:	190,343	-	190,343	-	-	-	190,343	-	190,343
(1) Adjusted gross deferred tax assets expected to be realized following the balance sheet date	190,343	-	190,343	-	-	-	190,343	-	190,343
(2) Adjusted gross deferred tax assets allowed per limitation threshold	xxx	xxx	6,434,963			4,781,955	xxx	xxx	1,653,008
c Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	-	-	-	-		-	-	-	-
d Deferred tax assets admitted as the result of application of SSAP 101. Total 2(a) + 2(b) + 2(c)	642,353	-	642,353	-	-	-	642,353	-	642,353
Deferred tax Liabilities	-	-	-	-	-	-	-	-	-
Net Admitted Deferred Tax Asset (Liability)	642,353	-	642,353	-	-	-	642,353	-	642,353

(3) Other Admissibility Criteria

	2017	2016
a Ratio percentage used to determine recovery period andthreshold limitation amount	>400%	363.11%
b Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b) 2 above.	42,899,752	31,879,701

(4) Impact of Tax Planning strategies

	2017 Ordinary	2017 Capital	2017 Total	2016 Ordinary	2016 Capital	2016 Total	Change Ordinary	Change Capital	Change Total
a Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.									
(1) Adjusted Gross DTAs amount from Note 9A (c).	3,742,301	-	3,742,301	-	-	-	3,742,301	-	3,742,301
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.	0%	0%	0%	0%	0%	0%	0%	0%	0%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1 (e).	642,353	-	642,353	-	-	-	642,353	-	642,353
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning	0%	0%	0%	0%	0%	0%	0%	0%	0%
b Does the company's tax planning strategies include the use of reinsurance?		Yes [ ]	No [X]						

B. There are no deferred tax liabilities for which temporary differences have not been established.

C. Current tax and change in deferred tax:

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

	2017	2016	Change
a Current federal income tax expense	2,527,620	(3,874,088)	6,401,708
b Foreign taxes	-	-	-
c Subtotal	2,527,620	(3,874,088)	6,401,708
d Tax on capital gains/(losses)	(11,600)	-	(11,600)
e Utilization of capital loss carryforwards	-	-	-
f SSAP3, Error Correction	-	(916,536)	916,536
g Other, including prior year underaccrual/(overaccrual)	-	-	-
h Federal and foreign income taxes incurred	2,516,019	(4,790,624)	7,306,643

Notes to Financial Statements

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(2) Deferred Tax Assets:	December 31, 2017	December 31, 2016	Change
(a) Ordinary			
(1) Discount on unpaid losses	29,316	80,336	(51,020)
(2) Unearned premium reserves	85,658	228,872	(143,214)
(3) Minimum tax credit	139,760	314,226	(174,466)
(4) Accrued vacation	-	-	-
(5) Fixed assets	19,177	130,538	(111,361)
(6) Accrued bonus	-	-	-
(7) Accrued broker commissions	-	-	-
(8) Allowance for bad debts	-	-	-
(9) Net operating losses	3,052,616	6,803,012	(3,750,396)
(10) Nonadmitted assets	271,350	368,445	(97,095)
(11) Premium Deficiency Reserve	-	-	-
(12) Accrued other expenses	-	-	-
(13) Intangibles	79,333	143,889	(64,556)
(14) Sick Time Benefits	65,090	133,455	(68,365)
Subtotal	3,742,300	8,202,773	(4,460,473)
(b) Statutory valuation allowance adjustment	-	8,202,773	(8,202,773)
(c) Nonadmitted	3,099,948	-	3,099,948
(d) Admitted ordinary deferred tax assets	642,352	-	642,352
(e) Capital			
(1) Investments	-	-	-
(2) Capital loss carry-forward	-	-	-
(3) Tax effect of unrealized capital losses	-	-	-
Gross Capital Deferred Tax Assets	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets	-	-	-
(i) Total admitted deferred tax assets	**642,352**	-	**642,352**
(3) Deferred Tax Liabilities:			
(a) Ordinary			
(1) Fixed Assets	-	-	-
(2) Intangibles	-	-	-
(3) Other (required to disclose items > 5%)	-	-	-
Ordinary Deferred Tax Liabilities	-	-	-
(b) Capital			
(1) Intangibles	-	-	-
(2) Other (required to disclose items > 5%)	-	-	-
(3) Tax effect of unrealized capital gains	-	-	-
Capital Deferred Tax Liabilities	-	-	-
(c) Total Deferred Tax Liabililties	-	-	-
(4) Net deferred tax assets/liabilites	642,352	-	642,352

The change in net deferred income taxes is composed of the following (this analysis is exclusive of nonadmitted DTAs as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2017	December 31, 2016	Change
Total deferred tax assets	3,742,300	-	3,742,300
Total deferred tax liabilities	-	-	-
Net deferred tax assets/liabilities	3,742,300	-	3,742,300
Tax effect of unrealized gains/(losses)			-
Change in net deferred income tax [(expense)/benefit]			3,742,300

	December 31, 2016	December 31, 2015	Change
Total deferred tax assets	-	1,702,936	(1,702,936)
Total deferred tax liabilities	-	-	-
Net deferred tax assets/liabilities	-	1,702,936	(1,702,936)
Tax effect of unrealized gains/(losses)			14,708
Change in net deferred income tax [(expense)/benefit]			(1,688,228)

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, (1) reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; (2) eliminating the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; (3) bonus depreciation that will allow for full expensing of qualified property; (4) and changing rules regarding the discounting of property and casualty reserves for tax return purposes.

As a result of the Tax Act, the company re-measured its deferred tax inventory at the date of enactment. Illustrated below is the impact of the tax rate change on deferred taxes as a result of the Tax Act. Of the $3,742,300 increase in net deferred income taxes charged to surplus in the current year, $(2,401,694) was related to the re-measurement. Of the $0 change in taxes associated with the change in unrealized gains and losses as a charge to surplus, $0 was related to the re-measurement.

	Deferred Taxes at 35%	Deferred Taxes at 21%	Tax rate impact
Operating Deferred Tax Items	6,143,995	3,742,301	2,401,694
Unrealized Deferred Tax Items	-	-	-
Net Deferred Taxes	6,143,995	3,742,301	2,401,694

Notes to Financial Statements

The SEC staff issued SAB 118, which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act.

The Statutory Accounting Principles (E) Working Group issued *INT 18-01: Updated tax Estimates under the Tax Cuts and Jobs Act* which provided that year-end 2017 financials should reflect the income tax effects of the Act in which the accounting estimates under SSAP No. 101 are complete. Further, the financials shall recognize impacts for accounting estimates under the Act that may be considered incomplete when a reasonable estimate is determinable. Furthermore, consistent with SAB 118, for specific income tax effects of the Act for which a reasonable estimate cannot be determined, reporting entities shall not recognize provisional amounts in the 2017 statutory financial statements. Furthermore, the guidance provided for disclosure for amounts that are incomplete similar to the disclosures required in SAB 118.

Our accounting for the following elements of the Tax Act is complete.

Reduction of U.S. federal corporate tax rate: The Act reduces the corporate tax rate to 21 percent, effective January 1, 2018. Consequently, we have recorded a decrease related to net DTAs before non-admittance of $2,401,694. A corresponding decrease to surplus for change in net deferred taxes of $2,401,694 and an $0 increase to surplus for change in tax associated with unrealized gains and losses was recorded for this amount.

Our accounting for the following elements of the Tax Act is incomplete, and we were unable to make reasonable estimates of the effects.

Property and casualty loss reserves: The Act changes the discount rate and payment patterns utilized to discount certain lines of business when computing the allowable tax reserve deduction. No guidance has been issued regarding the appropriate interest rate and appropriate payment patterns to use to revalue the reserves. The Company expects the ultimate amount to record will be immaterial.

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to pre-tax income. The significant items causing this difference are as follows:

2017	Amount	Tax Effect	Tax Rate
Provision computed at statutory rate	13,608,547	4,762,992	35.0%
Change in nonadmitted assets	(42,452)	(14,858)	-0.1%
Impact of Tax Rate Change	17,154,958	2,401,694	17.6%
Change in valuation allowance	(23,348,179)	(8,202,773)	-60.3%
Other, incl. Prior year adjustment	(495,247)	(173,336)	-1.3%
ACA Fee		-	0.0%
Total statutory income tax		(1,226,281)	-9.0%
Federal income taxes incurred		2,527,620	18.6%
Tax on capital gains/(losses)		(11,600)	-0.1%
Prior year overaccrual/(underaccrual)		-	0.0%
Change in net deferred income tax [expense/(benefit)]		(3,742,300)	-27.5%
Total statutory income tax		(1,226,281)	-9.0%

2016	Amount	Tax Effect	Tax Rate
Provision computed at statutory rate	(22,142,689)	(7,749,941)	35.0%
Change in nonadmitted assets	(199,202)	(69,721)	0.3%
ACA Fee	3,250,924	1,137,823	-5.1%
NOL Waived	(13,198,344)	(4,619,420)	20.9%
Prior year true-up	0	(3,912)	0.0%
Change in valuation allowance	22,852,932	8,202,773	-37.0%
Total		(3,102,397)	14.0%
Federal income taxes incurred		(3,874,088)	17.5%
Tax on capital gains/(losses)		-	0.0%
SSAP3 Error Correction		(916,536)	4.1%
Change in net deferred income taxes		-	0.0%
Prior year overaccrual/(underaccrual)		-	0.0%
Change in net deferrred income tax (Expense/Benefit)		1,688,228	-7.6%
Total statutory income taxes		(3,102,397)	14.0%

E. (1) Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

	December 31, 2017	December 31, 2016
The Company had net operating losses of:	14,536,269	19,437,176
The Company had capital loss carryforwards of:	-	-
The Company had AMT credit carryforwards of:	139,760	314,226

Year Ending	2017	2016	Expires
12/31/2011	4,214,373	4,392,763	2030
12/31/2012	6,498,427	6,498,427	2031
12/31/2013	3,823,469	3,823,469	2032
12/31/2014	-	-	2033
6/30/2015	-	-	2034
12/31/2015	-	-	2034
12/31/2016	-	4,722,517	2035
12/31/2017	-	-	2036
	14,536,269	19,437,176	

As a result of acquisition by QualChoice Health on April 30, 2014, certain tax attributes may be limited under the provisions of IRC Section 382.

Notes to Financial Statements

(2) The following represents income tax expense for tax years ending 12/2017, 12/2016, and 12/2015 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
Dec-15	-	-	-
Dec-16	-	-	-
Dec-17	2,527,620	(11,600)	2,516,019

(3) The aggregate amounts of deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code was zero as of December 31, 2017

F. Consolidated Federal Income Tax Return

(1) The Company files a consolidated return with the following entities:

QualChoice Health, Inc.	46-1222808
QualChoice Health Plan Services, Inc.	46-1224037
QualChoice of Nebraska, Inc.	81-0738227
QualChoice Holdings, Inc.	27-4075520
QCA Health Plan, Inc.	71-0794605
QualChoice Life and Health Insurance Company, Inc.	71-0386640
Soundpath Health	42-1720801
ClearRiver Health	46-4495960
Heartland Plains Health	46-4368223
Riverlink Health	46-4380824
Riverlink Health of Kentucky, Inc.	46-4828332
Stableview Health, Inc.	46-4373713
Harvest Plains Health of Iowa	47-3457150
Qualchoice Advantage, Inc.	47-3433912

(2) The method of allocation between the companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis, with the company receiving a current benefit for losses generated to the extent federal taxes are reduced for the consolidated tax group.

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A-N. The Company is party to a service agreement with an affiliate whereby the affiliate provides a full range of administrative, managerial and technological services. The Company paid this affiliate $26,160,337 and $29,593,822 during 2017 and 2016, respectively, for these services.

Under the provisions of various provider contracts, the Company paid $12,446,395 and $12,638,490 to hospitals owned by or affiliated with stockholders during 2017 and 2016, respectively.

Administrative fee revenue in the amount of $0 and $1,119,716 was received from hospitals owned or affiliated with stockholders during 2017 and 2016, respectively, that relates to the administrative services only (ASO) line of business.

The Company was due $323,747 and $298,540 from affiliates, as of December 31, 2017 and 2016, respectively.

The Company owed $242,135 and $1,122,171 to affiliates as of December 31, 2017 and 2016, respectively, for general expenses paid on behalf of the Company.

QCA Health Plan, Inc. (dba QualChoice), (the Company), is a licensed health maintenance organization in the state of Arkansas and is subject to regulation by the Arkansas Insurance Department. The Company was incorporated in Arkansas on April 8, 1996. The Company's parent company is QualChoice Holdings, Inc. (Qualchoice). The Company is engaged in a variety of activities such as providing coverage for its enrollees, substantially all of whom are residents of the state of Arkansas, as well as claims and administrative services for self-insured groups both within and outside the state of Arkansas. QualChoice Holdings is a subsidy of QualChoice Health Plan Services, Inc. (QHPS). QHPS is a direct subsidiary of QualChoice Health Inc. (QHI). QHPS owns all health insurance subsidiaries of QHI. The new names are reflected in Schedule Y. Upon completion of the stock-purchase agreements QCA Health Plan, Inc. became part of a Holding Company.

11. Debt

A. The Company had the following surplus notes payable at December 31, 2017:

	2017	2016

Notes to Financial Statements

Surplus note payable to QualChoice Health Plan Services, Inc. With interest at 6% beginning in December 2014	$5,000,000	$5,000,000

B. As of December 31, 2017, the Company has no outstanding Federal Home Loan Bank Agreements.

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

The Company has no defined benefit plan.

A. N/A
B. N/A
C. N/A
D. N/A
E. Defined Contribution Plans

The Company has an employee 401(k) Plan in which the Company matches 100% of the first 1% of eligible employee pay contribution and 50% of the next 5% of the eligible pay contribution. The Company will make an annual contribution, whether or not the employee contributes to the 401k equal to 2.5% of eligible pay. Contributions by the Company to the plan during 2017 and 2016 totaled $686,903 and $808,718, respectively.

F. Multiemployer Plans
The Company does not participate in multiemployer plans.
G. Consolidated/Holding Company Plans
N/A
A. Postemployment Benefits and Compensated Absences
The Company does not offer a postretirement benefit plan.
B. N/A

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) The Company has 50,000 shares of $.10 per share par value common stock authorized and 20,935 shares outstanding, exclusive of 3,600 shares held as treasury stock. On December 31, 2017, the Company had 11,295 shares outstanding, exclusive of 3,600 shares held as treasury stock. The Company has 25,500.046 shares of $1,000 par value preferred stock outstanding.

(2) The Company's preferred stock structure is as follows as of December 31:

	2017	2016
Series A, $1,000 par value; 5% noncumulative, nonvoting; convertible into 4,732 shares of nonvoting common stock; 2,868 shares authorized and issued.	$ 2,868,000	2,868,000
Series B, $1,000 par value; 5% noncumulative, nonvoting; convertible into 16,833 shares of nonvoting common stock; 9,342.808 shares authorized and issued.	9,342,808	9,342,808
Series C, $1,000 par value; 2% noncumulative, nonvoting, nonconvertible; 5,000 shares authorized and issued.	5,000,000	5,000,000
Series D, $1,000 par value; noncumulative, nonvoting, nonconvertible; 8,289.238 shares authorized and issued.	8,289,238	8,289,238
	$ 25,500,046	25,500,046

Notes to Financial Statements

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Company the holders of the preferred stock shall be entitled to share ratably in any assets of the Company available for distribution to the Company's stockholders. The amount will be equal to the greater of (a) $1,000 per share of preferred stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization, plus all declared, approved, but unpaid dividends through such distribution payment date or (b) the amount per share such shareholder would receive if such shareholder converted such shares of preferred stock into common stock in accordance with the conversion factor set out in the "Statement of Preferences and Terms of Preferred Stock" immediately prior to such liquidation, dissolution, or winding up of the affairs of the Company. Any payments or distributions to the preferred stockholders shall be made before any such payments or distributions shall be made to common stockholders.

(3) The Company has no dividend restrictions.

(4) The Company does not intend to pay dividends on its common or preferred stock in the foreseeable future.

(5) N/A

(6) The Company had no restrictions on its unassigned surplus.

(7) The Company does not have any advances to surplus.

(8) N/A

(9) The Company has no special surplus funds.

(10) N/A

(11) The Company issued the following 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	Maturity Date
12/2/2014	6%	$ 5,000,000	$ 5,000,000	-	-	-	N/A

The surplus note, in the amount of $5,000,000, in the above table, was issued to QualChoice Health Plan Services in exchange for cash. The note has no specific liquidation preference, subordination or repayment conditions, or restrictions aside from each interest payment needing the prior approval of the Insurance Commissioner and only to the extent the Company has sufficient surplus earnings to make such payment.

(12) The Company was not involved in a quasi-reorganization.

(13) N/A

14. Liabilities, Contingencies and Assessments

A. None

B. None

C. None

D. None

E. None

F. None

The Company is a defendant in general litigation as of December 31, 2017, in the ordinary course of business. The Company's management believes, however, that any liability it may incur as a result of this litigation would not have a material or adverse effect on the financial statements and, accordingly, no contingencies have been recorded.

The Company is subject to various regulatory requirements, including maintenance of minimum capital and surplus. At December 31, 2017, the Company is in compliance with requirements established by the Arkansas Insurance Department. The Company is required to maintain restricted investments in the minimum maturity amount of $625,000.

15. Leases

A. (1) a. The Company has no lease agreements.

(2) a. N/A

(3) The company is not involved in any material sales – leaseback transactions.

Notes to Financial Statements

B. N/A

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

The Company does not have any off-balance sheet risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
A. The Company did not have any transfers of Receivables reported as Sales.
B. The Company did not have any transfers and servicing of Financial Assets.
C. The Company did not have any Wash Sales.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
A. ASO Plans
During 2017 and 2016, the Company had administrative services only contracts and minimum premium contracts, for which the employer retained all health care service risk, while the Company assumed administrative risk. The Company recorded administrative fee revenues of approximately $7,549,130 and $8,481,452 for 2017 and 2016, respectively. The amounts are not recorded as revenue in this statutory statement, but rather as a reduction in operating expenses. The profit associated with this line of business was $754,913 in 2017, and $848,145 for 2016.

B. ASC Plans

C. Medicare or Similarly Structured Cost Based Reimbursement Contract
N/A

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

The Company does not currently have any direct premium written/produced by managing general agents/third party administrators.

20. Fair Value Measurements
A.
(1) The Company does not have any financial assets that are measured and reported at fair value on the statutory basis statements or admitted assets, and capital and surplus at December 31, 2017. All investments are recorded at amortized cost.

(2) – (5) N/A

B. N/A
C. N/A
D. N/A

21. Other Items
A. The Company had no unusual or infrequent items as of December 31, 2017.
B. The Company had no troubled debt restructuring as of December 31, 2017.
C. The Company has no other disclosures as of December 31, 2017.
D. The Company has no business interruption insurance recoveries.
E. The Company has no state transferable tax credits.
F. The Company does not engage in sub-prime residential mortgage lending nor does it have any material direct investments in collateralized debt obligations or debt securities that are directly backed by residential mortgages.
G. The Company does not have any retained asset accounts for beneficiaries.
H. The Company has no insurance-linked securities.

22. Events Subsequent
Subsequent events have been considered through February 28, 2018, the date which the financial statements were filed. On January 1, 2018, the Company will, once again, be

Notes to Financial Statements

subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2018. 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 their portion of the annual health insurance industry fee to be payable on September 30, 2018 to be $3,297,877. This assessment is expected to impact risk based capital by 8%.

23. Reinsurance

The Company is covered under a medical reinsurance agreement effective January 1, 2017 through December 31, 2017, that provides annual coverage for eligible in-area and out of area hospital services of 90% in excess of $550,000 per member for group and Individual coverage. The policy covers medical services and pharmaceuticals including inpatient and outpatient hospital, sub-acute facility services, skilled nursing facility and rehabilitation facility services, hospice services, home health agency services, outpatient facility services, and other professional services. Physician services are not covered. Certain covered services have per unit or annual coverage limits. The maximum payable per covered person per agreement term is unlimited.

The reinsurance agreement contains a provision through which the Company may receive an experience refund of net profit in a contract year. At December 31, 2017 the Company recorded no receivable for experience refund related to the contract years that ended December 31, 2017 and December 31, 2016.

The Company has no return commission, which would have been due if the Company had cancelled the reinsurance. The Company has no retroactive reinsurance agreements. The reinsurance does not have retroactive termination arrangement clause.

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) There are no reinsurers listed on Schedule S as non-affiliated that are 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.
(2) The Company had no reinsurer chartered outside of the United States.

Section 2 – Ceded Reinsurance Report – Part A
(1) The Company has no reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits.
(2) The Company has no reinsurance agreements in effect such that the amount of losses paid or accrued may result in a payment to the reinsurer of amounts that exceed the premium collected.

Section 3 – Ceded Reinsurance Reports – Part B

(1) The estimated reduction in surplus if the reinsurance agreement was terminated would be $0.
(2) In 2016 the Company had an agreement with Munich Re, in 2017 the Company changed to Partners Re.

B. The Company did not have any uncollectible reinsurance written off during the year.

C. There was no commutation of reinsurance during the year.

Notes to Financial Statements

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
N/A

24. Retrospectively Rate Contracts & Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments for its group health insurance business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

C. The amount of net premiums written by the company at December 31, 2017 that are subject to retrospective rating features was $0. No other net premium written by the company are subject to retrospective rating features.

D. The Company had no medical loss ratio rebates required pursuant to the Public Health Service Act.

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

(1) The Company has accident and health insurance premiums in 2017 and 2016 subject to the risk-sharing provisions of the ACA. The ACA imposes fees and premium stabilization provisions on health insurance issuers offering comprehensive commercial health insurance.

(2) The following table presents the current year impact of risk-sharing provisions of the ACA on assets, liabilities and operations.

a. Permanent ACA Risk Adjustment Program

Assets	Amount
1. Premium Adjustment Receivable due to ACA Risk Adj.	$771,212
Liabilities	
2. Risk Adjustment User Fees Payable for ACA Risk Adj.	$57,000
3. Premium Adjustments Payable due to ACA Risk Adj.	$216,138
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	$771,212
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	$273,138

Notes to Financial Statements

(3) The following table is a rollforward of the prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balances.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1–3+7)	Cumulative Balance from Prior Years (Col 2–4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	$2,797,502	$	$2,796,824	$	$678	$	$(678) ..	$	A	$……	$ .....
2. Premium adjustments (payable)	$	$	$	$	$	$	$	$	B	$	$ .....
3. Subtotal ACA Permanent Risk Adjustment Program	$2,797,502	$	$2,796,824	$	$678	$	$(678) ..	$		$……	$ .....
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	$5,256,561	$	$6,177,003	$	$(920,442)	$	$1,928,150	$	C	$1,007,708	$ .....
2. Amounts recoverable for claims unpaid (contra liability)	$	$	$	$	$	$	$	$	D	$	$ .....
3. Amounts receivable relating to uninsured plans	$	$	$	$	$	$	$	$	E	$	$ .....
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	$	$	$	$	$	$	$	$	F	$	$ .....
5. Ceded reinsurance premiums payable	$	$	$	$	$	$	$	$	G	$	$ .....
6. Liability for amounts held under uninsured plans	$	$	$	$	$	$	$	$	H	$	$ .....
7. Subtotal ACA Transitional Reinsurance Program	$5,256,561	$	$6,177,003	$	$(920,442)	$	$1,928,150	$		$1,007,708	$ .....
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	$38,300.	$	$41,536.	$	$(3,236)	$	$34,135	$	I	$30,899	$ .....
2. Reserve for rate credits or policy experience rating refunds	$	$	$	$	$	$	$	$	J	$	$ .....
3. Subtotal ACA Risk Corridors Program	$38,300.	$	$41,536.	$	$(3,236)	$	$34,135	$		$30,899	$ .....
d. Total for ACA Risk-Sharing Provisions	$8,092,363	$	$9,015,363	$	$(923,000)	$	$1,961,607	$		$1,038,607	$ .....

(4) Roll Forward of ACA Risk Corridor Asset and Liability Balances by Program Benefit Year

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1–3+7)	Cumulative Balance from Prior Years (Col 2–4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. 2014											
1. Accrued Retrospective Premium	$38,300.	$	$41,536	$	$(3,236) .	$	$34,135	$	A	$30,899	$ .....
2. Reserve for rate credits policy experience rating	$	$	$	$	$	$	$	$	B	$	$ .....

Notes to Financial Statements

refunds										
b. 2015										
1. Accrued Retrospective Premium	$	$	$	$	$	$	$	$	C $	$ .....
2. Reserve for rate credits policy experience rating refunds	$	$	$	$	$	$	$	$	D $	$ .....
c. 2016										
1. Accrued Retrospective Premium	$	$	$	$	$	$	$	$	I $	$ .....
2. Reserve for rate credits or policy experience rating refunds	$	$	$	$	$	$	$	$	J $	$ .....
d. Total for Risk Corridor	$38,300.	$	$41,536	$	$(3,326).	$	$34,135	$	$30,899	$ .....

(5) ACA Risk Corridor Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated amount to be filed or final amounts filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset balance (gross of nonadmission) (1-2-3)	5 Nonadmitted amounts	6 Net admitted assets
a. 2014	$4,181,163	$3,486,662	$663,602	$30,899	$0	$30,899
b. 2015	$476,593	$476,593	$0	$0	$0	$0
c. 2016	$5,894,851	$5,894,851	$0	$0	$0	$0
d. Total	$10,552,607	$9,858,106	$663,602	$30,899	$0	$30,899

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2017 were $18,924,844. As of December 31, 2017, $28,937,631 has been paid for incurred claims and claim adjustment expenses attributable to insured events incurred prior to January 1, 2017. Reserves remaining for prior years are now $69,861 as a result of re-estimation of unpaid claims and claim adjustment expenses. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangement.

A. – G. N/A

27. Structured Settlements

This note is not applicable to health entities.

28. Health Care Receivables.

A. Pharmaceutical Rebate Receivables

The Company experienced the following activity associated with the pharmaceutical rebate receivables by quarter for the previous three years from December 31, 2017:

For 2017
Pharmaceutical Rebate Receivables

	Estimated Pharmacy Rebates as Reported	Pharmacy Rebates as Billed or	Actual Rebates Received Within 90	Actual Rebates Received Within 91 to	Actual Rebates Received More Than 180 Days After

Notes to Financial Statements

Quarter	on Financial Statements	Otherwise Confirmed	Days of Confirmed	180 Days of Billing	Billing
12/31/2017	2,353,543				
9/30/2017	1,696,038	1,394,407	1,394,407		
6/30/2017	1,693,034	2,404,043	1,009,636	1,394,407	
3/31/2017	1,100,074	2,343,293	1,146,985	1,009,636	186,672
12/31/2016	2,127,062	2,192,454	1,045,468	1,146,468	
9/30/2016	1,182,476	1,723,608	678,140	1,045,468	
6/30/2016	308,316	923,134	244,994	678,140	
3/31/2016	35,196	705,074	460,080	244,994	
12/31/2015	286,279	788,508	328,428	460,080	
9/30/2015	113,825	664,285	335,857	328,428	
6/30/2015	229,086	598,317	262,459	335,858	
3/31/2015	264,506	473,052	210,593	262,459	

B. Risk-Sharing Receivables – N/A

29. Participating Policies

The Company has no participating contracts.
N/A

30. Premium Deficiency Reserves

At December 31, 2017, the Company had no premium deficiency reserve.

31. Anticipated Salvage and Subrogation

Due to the type of business being written, the Company has no salvage. As of December 31, 2017 and 2016, the Company has no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

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? Arkansas

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. 12/31/2014
3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 04/16/2016
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). 04/16/2016
3.4 By what department or departments?
Arkansas Insurance Department
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,
7.21 State the percentage of foreign control 0.000%
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

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
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP 370 17th Street, Suite 3300 Denver, Colorado 80202

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 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 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?
Mark Peterson QualChoice Health Plan Services 10050 Crosstown Circle, Suite 250 Eden Prairie, MN 55344

GENERAL INTERROGATORIES (Continued)

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]
12.11 Name of real estate holding company
12.12 Number of parcels involved 0
12.13 Total book/adjusted carrying value $..... 0
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[ ] N/A[X]
13.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes[ ] No[ ] N/A[X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
14.11 If the response to 14.1 is no, please explain:
14.2 Has the code of ethics for senior managers been amended? Yes[ ] 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).

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[ ] No[X]

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 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[X] No[ ]
23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $..... 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes[X] No[ ]
24.02 If no, give full and complete information, relating thereto
24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes[ ] No[ ] N/A[X]
24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $..... 0
24.06 If answer to 24.04 is no, report amount of collateral for other programs. $..... 0
24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes[ ] No[ ] N/A[X]
24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[ ] No[ ] N/A[X]

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

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[X]

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	$ 0
25.29	On deposit with other regulatory bodies	$ 0
25.30	Pledged as collateral - excluding collateral pledged to an FHLB	$ 0
25.31	Pledged as collateral to FHLB - including assets backing funding agreements	$ 0
25.32	Other	$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

27.2 If yes, state the amount thereof at December 31 of the current year. $ 0

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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Arvest Asset Management	200 Commerce Dr. Ste. 100, Little Rock, AR
BNY Mellon	200 Park Avenue, New York, NY

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

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

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

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

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

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

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

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[X]

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[X]

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.

GENERAL INTERROGATORIES (Continued)

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

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		

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	42,202,670	42,014,234	(188,436)
30.2	Preferred stocks	1,500,000	1,500,000	
30.3	Totals	43,702,670	43,514,234	(188,436)

30.4 Describe the sources or methods utilized in determining the fair values:
Provided by bank statements/Trust Company reporting

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[X] No[ ]

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

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:

33. By self-designation 5*GI securities, the reporting entity is certifying the following elements for 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[X]

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? $ 0

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

1 Name	2 Amount Paid

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

36.2 List the name of 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.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (Continued)

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? $ 0
1.31 Reason for excluding:
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ 0
1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 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	197,589,867	214,833,104
2.2	Premium Denominator	197,579,684	214,833,104
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	16,730,331	31,308,796
2.5	Reserve Denominator	19,512,825	31,546,191
2.6	Reserve Ratio (2.4 / 2.5)	0.857	0.992

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[X] No[ ]
4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes[ ] No[X] N/A[ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No[ ]
5.2 If no, explain:
5.3 Maximum retained risk (see instructions):
5.31 Comprehensive Medical $ 0
5.32 Medical Only $ 0
5.33 Medicare Supplement $ 0
5.34 Dental & Vision $ 0
5.35 Other Limited Benefit Plan $ 0
5.36 Other $ 0

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:
Provider contracts have hold harmless agreements and continuity of care provisions. Through the reinsurance compnay $5,000,000 is reinsured for continuation of benefits in event of insolvency.

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 18,028
8.2 Number of providers at end of reporting year 19,232

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 0
9.22 Business with rate guarantees over 36 months 0

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 $ 0
10.22 Amount actually paid for year bonuses $ 0
10.23 Maximum amount payable withholds $ 0
10.24 Amount actually paid for year withholds $ 0

11.1 Is the reporting entity organized as:
11.12 A Medical Group/Staff Model, Yes[ ] No[X]
11.13 An Individual Practice Association (IPA), or, Yes[ ] No[X]
11.14 A Mixed Model (combination of above)? Yes[ ] 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.
Arkansas
11.4 If yes, show the amount required. $ 600,000
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 the reporting entity is licensed to operate:

1 Name of Service Area
Entire state of Arkansas, 75 counties

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: $ 0
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: $ 0

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

GENERAL INTERROGATORIES (Continued)

14.2 If the answer to 14.1 is yes, please provide the following:

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

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

15.1 Direct Premium Written $ 0
15.2 Total incurred claims $ 0
15.2 Number of covered lives 0

*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
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	75,365,153	75,215,779	81,342,072	64,017,278	30,952,723
2. TOTAL Liabilities (Page 3, Line 24)	31,792,136	43,336,078	41,791,261	43,728,419	18,132,132
3. Statutory minimum capital and surplus requirement	600,000	8,779,683	6,798,788	6,012,498	5,462,471
4. TOTAL Capital and Surplus (Page 3, Line 33)	43,573,017	31,879,701	39,550,811	20,288,859	12,820,591
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	197,579,684	214,833,104	205,847,620	159,762,626	141,264,056
6. TOTAL Medical and Hospital Expenses (Line 18)	160,610,354	207,179,223	161,114,190	137,595,312	123,882,758
7. Claims adjustment expenses (Line 20)	6,422,246	7,833,895	6,100,937	6,036,868	6,518,243
8. TOTAL Administrative Expenses (Line 21)	17,665,662	23,091,492	25,385,203	22,347,015	16,606,725
9. Net underwriting gain (loss) (Line 24)	12,881,422	(22,771,506)	12,747,290	(6,216,569)	(3,893,730)
10. Net investment gain (loss) (Line 27)	721,430	644,586	1,533,628	990,836	250,592
11. TOTAL Other Income (Lines 28 plus 29)	17,295				53,755
12. Net income or (loss) (Line 32)	11,092,554	(18,252,832)	9,275,007	(5,225,733)	(3,589,383)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	7,538,328	(6,398,771)	1,479,271	4,599,058	(10,769,776)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	43,573,017	31,879,701	39,550,811	20,288,859	12,820,591
15. Authorized control level risk-based capital	6,752,023	8,779,683	6,798,788	6,012,498	5,462,471
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	45,523	57,408	46,051	57,227	41,256
17. TOTAL Members Months (Column 6, Line 7)	545,128	646,778	588,387	518,147	495,442
OPERATING PERCENTAGE (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)	81.3	96.4	78.3	86.1	87.7
20. Cost containment expenses	1.7	2.2	2.2	2.6	2.6
21. Other claims adjustment expenses	1.5	1.4	0.8	1.2	2.0
22. TOTAL Underwriting Deductions (Line 23)	93.5	110.6	93.8	103.9	102.8
23. TOTAL Underwriting Gain (Loss) (Line 24)	6.5	(10.6)	6.2	(3.9)	(2.8)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	28,420,341	24,794,395	18,695,911	10,117,020	17,758,675
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	27,057,842	27,684,100	27,775,861	12,193,433	16,338,903
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated		5,404	5,423	5,460	5,634
32. TOTAL of Above Lines 26 to 31	1,500,000	1,505,404	1,505,423	1,505,460	1,505,634
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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[ ] N/A[X]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

ALLOCATED BY STATES AND TERRITORIES

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L	196,760,446			2,599,863			199,360,309	
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	XXX								
59. Subtotal	XXX	196,760,446			2,599,863			199,360,309	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. TOTAL (Direct Business)	(a) 1	196,760,446			2,599,863			199,360,309	
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX								

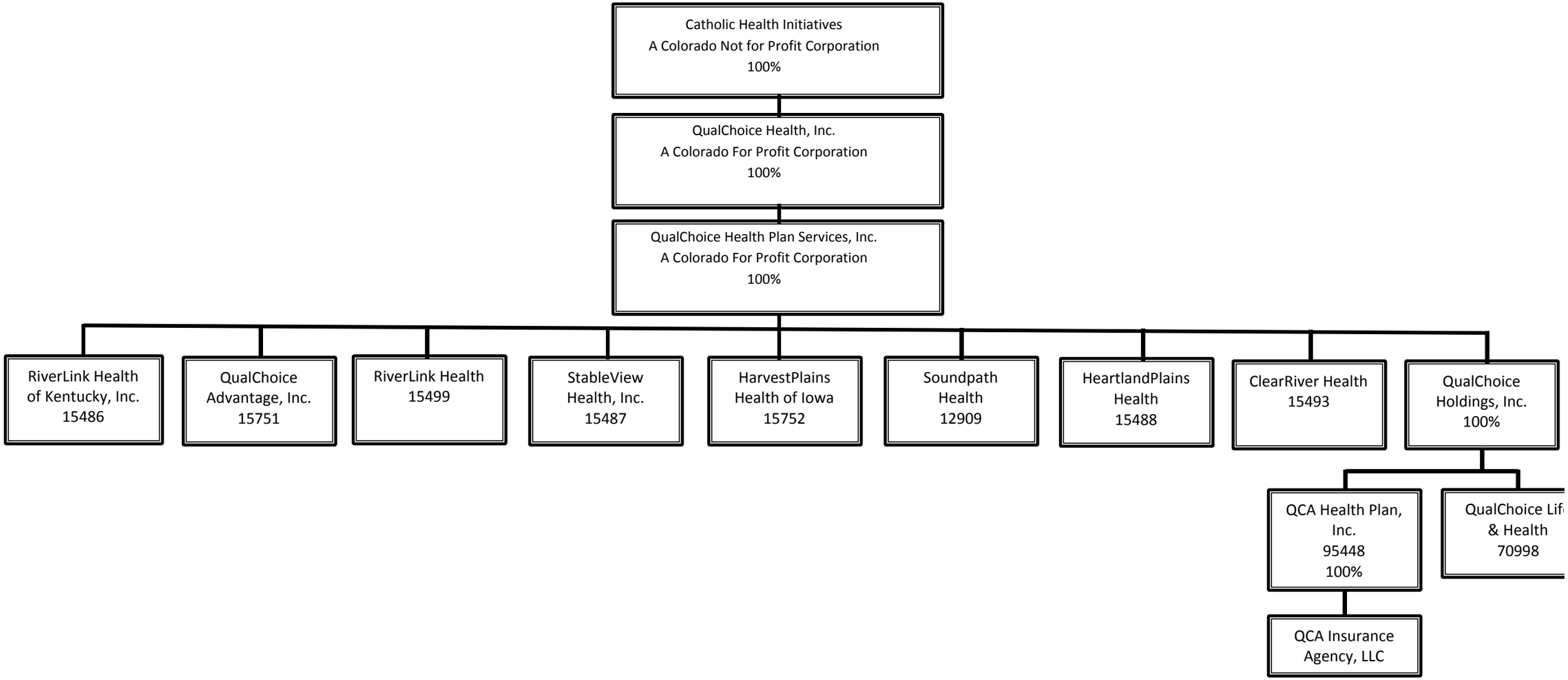
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation by state, premiums by state, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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